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LEGISLATIVE HISTORY

Public Law 109--81st Congress

Chapter 226--1st Session

H. R. 2361

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REORGANIZATION ACT OF 1949. Authorizes the President to submit to Congress reorganization plans for the executive branch to transfer agencies or functions to other agencies, abolished the functions of an agency, consolidate or coordinate agencies and their functions, or authorize any officer to delegate any of his functions. Authorizes the change of agency names, designation of names of agencies resulting from a reorganization, inclusion of provision for appointment and compensation of agency heads, and provision for transfer of records, property, personnel, and appropriations. Prohibits in reorganization plans the abolishing or transferring of an executive department, the continuing of any agency or function beyond the period authorized by law for its existence, or the authorizing of any function not authorized by law. Sets April 1, 1953 as the termination date of the authority. Provides that a reorganization plan may not take effect if disapproved by either House of Congress, by vote of ~~two-thirds~~ of the authorized membership of that House, within 60 days after submission of a plan. Authorizes the President to provide for a new executive department in a reorganization plan. Provides that each plan submitted shall specify the reduction of expenditures (itemized so far as practicable) which it is probable will be brought about by the plan. Makes saving provisions for regulations, etc. of agencies affected by the plans submitted, and provides the procedure for resolutions of disapproval by Congress.

INDEX AND SUMMARY OF HISTORY ON H. R. 2361

- January 17, 1949 Message from the President of the United States transmitting his recommendation for the enactment of a new reorganization measure. House Document 42.
- H. R. 1569 was introduced by Rep. Dawson and was referred to the House Committee on Expenditures in the Executive Departments. Print of the bill as introduced. (Similar bill).
- S. 526 was introduced by Senator McClellan for himself and others and was referred to the Senate Committee on Expenditures in the Executive Departments. Print of the bill as introduced. (Companion bill).
- Remarks of Senator McClellan.
- January 24, 1949 Hearings: House, H. R. 1569.
- February 2, 1949 Hearings: Senate, S. 526.
- February 7, 1949 H. R. 2361 was introduced by Rep. Dawson and was referred to the House Committee on Expenditures in the Executive Departments. Print of the bill as introduced.
- House Committee reported H. R. 2361 without amendment. House Report 23. Print of the bill as reported.
- House debated and passed H. R. 2361 with amendments by a vote of 356-9.
- Rejected the following amendments:
- By Rep. Hoffman, requiring plans to be submitted by Jan. 20, 1953 (pp. 931-5).
 - By Rep. Hoffman, to permit a plan to be disapproved by only one House; by a 95-142 vote (pp. 945-7).
 - By Rep. Hoffman, to provide for affirmative action of Congress within 60 days (p. 947).
- February 8, 1949 Print of H. R. 2361 as referred to the Senate Committee on Expenditures in the Executive Departments.
- February 17, 1949 Print of an amendment proposed by Senator Johnson to S. 526.
- February 28, 1949 Print of an amendment proposed by Senator Tydings to S. 526.
- April 7, 1949 Senate Committee reported S. 526 with amendments. Senate Report 232. Print of the bill as reported.
- April 11, 1949 Senate discussed and passed over S. 526.
- May 16, 1949 Senate debated and passed with amendments H. R. 2361. As passed by the Senate, the bill is in the same form as S. 526 as reported by committee, except that an amendment by Sen. Byrd was agreed to requiring that reorganization plans include an estimate of savings which would result from adoption thereof (p. 6341). Action on S. 526 indefinitely postponed in view of passage of H. R. 2361.
- Senate conferees appointed.
- Extension of remarks of Rep. Reed.

May 17, 1949	House conferees appointed.
	Extension of remarks of Senator O'Connor and Rep. Doyle.
May 18, 1949	Change of membership of House Conferees.
	Extension of remarks of Rep. Lane.
June 16, 1949	Both houses received and agreed to the conference report. House Report 843.
	Extension of remarks of Rep. Miller.
June 20, 1949	Approved. Public Law 109.
	Statement of the President on signing H. R. 2361. House Document 221.

PRESIDENT'S REORGANIZATION PLANS OF 1949.

Reorganization Plan No. 1 of 1949. (Rejected by Congress).

June 20, 1949	Plan No. 1. to create a Department of Welfare. House Doc. 222.
June 30, 1949	Hearings: Senate. Reorganization Plans of 1949.
July 21, 1949	Hearings: Senate. Reorganization Plans No. 1 and No. 2 of 1949.
July 29, 1949	S. Res. 147 was introduced by Senator Fulbright and referred to the Senate Committee on Expenditures in the Executive Departments. Print of the Resolution.
August 8, 1949	Senate Committee reported S. Res. 147 without amendment. Senate Report 851. Print of the Resolution as reported.
August 9, 1949	Minority Report. Senate Report 851, Pt. 2.
August 11, 1949	Individual Views. Senate Report 851, Pt. 3.
August 16, 1949	Senate debated S. Res. 147 and agreed, 60-32 to disapproving Reorganization Plan No. 1.

Reorganization Plan No. 2 of 1949. (Became effective August 20, 1949).

June 20, 1949	Plan No. 2. transferring the Bureau of Employment Security. House Document 223.
July 28, 1949	H. Res. 301 was introduced by Rep. Hoffman and referred to the House Committee on Expenditures in the Executive Depts.
August 2, 1949	Hearings: House. H. Res. 301.
August 5, 1949	House Committee reported H. Res. 301 without amendment. House Report 1204. Print of the Resolution as reported.

August 5, 1949 S. Res. 151 was introduced by Senator McClellan and was referred to the Senate Committee on Expenditures in the Executive Depts. Print of the Resolution as introduced.

August 8, 1949 Senate Committee reported S. Res. 151 without amendment. Senate Report 852. Print of the Resolution as reported.

August 11, 1949 House debated and rejected H. Res. 301.

August 12, 1949 Senate Committee reported S. Res. 151. Minority views. Senate Rept. 952, Pt. 2.

August 17, 1949 Senate debated S. Res. 151 and rejected the Resolution by a vote of 32-57.

Print of the Resolution as rejected.

Reorganization Plan No. 3 of 1949. (Became effective August 20, 1949). H.Doc. 224.

Reorganization Plan No. 4 of 1949. (Became effective August 20, 1949). H.Doc. 225.

Reorganization Plan No. 5 of 1949. (Became effective August 20, 1949). H.Doc. 226.

Reorganization Plan No. 6 of 1949. (Became effective Aug. 20, 1949). H.Doc. 227.

Reorganization Plan No. 7 of 1949. (Became effective Aug. 20, 1949). H. Doc. 228.

July 27, 1949 H. J. Res. 328 was introduced by Rep. Judd and was referred to the House Comm. on Expenditures in the Executive Depts. Print of the Resolution as introduced (to disapprove plans 3 - 7).

August 4, 1949 Senate Committee report on Plan No. 3. Senate Report 837.

Senate Committee report on Plan No. 4. Senate Report 838.

Senate Committee report on Plan No. 5. Senate Report 839.

Senate Committee report on Plan No. 6. Senate Report 840.

August 15, 1949 S. Res. 155 was introduced by Senator Hayden and was referred to the Senate Committee on Expenditures in the Executive Depts. Print of the Resolution as introduced.

Senator Hayden inserted a legislative counsel opinion questioning the validity of Plan No. 7. Further discussion by Senator Taft.

August 16, 1949 Senate Committee reported S. Res. 155. Senate Report 927. Print of the Resolution as reported.

Senate discussion of Plan No. 7.

August 17, 1949 Senate discussed and rejected S. Res. 155 by a vote of 40-47.

Print of S. Res. 155 as disagreed to.

Reorganization Plan No. 8 of 1949. (Became effective Sept. 17, 1949). H. Doc. 262.

See following page for resume of Reorganization Plans.

PRESIDENT'S REORGANIZATION PLANS OF 1949.

PLAN NO. 1, to create a Department of Welfare. Transfers the Federal Security Agency into the Department of Welfare; provides for a Secretary of Welfare, and Under-Secretary of Welfare, and three Assistant Secretaries of Welfare; and transfers to the Secretary the functions of all officers and constituent units of the Department, subject to delegation by the Secretary (rejected by Congress, S. Res. 147).

PLAN NO. 2, to transfer Bureau of Employment Security. Transfers the Bureau of Employment Security from the Federal Security Agency to the Labor Department (this Bureau administers the employment service and unemployment compensation programs); and transfers to the Secretary of Labor the functions of the Veterans' Placement Service Board and of its Chairman and abolishes the Board (this Board determines policies for the Veterans' Employment Service in the Bureau of Employment Security)) (became effective August 20, 1949; H. Res. 301, disapproving this plan, rejected by House August 11, 1949; and S. Res. 151, disapproving this plan, rejected by Senate August 17, 1949).

PLAN NO. 3, to reorganize the Post Office Department. Transfers the functions of all subordinates to the Postmaster General, subject to delegation; creates a Deputy Postmaster General and re-establishes four Assistant Postmasters General (omitting the numerical designation of rank); abolishes the Bureau of Accounts of the Post Office Department and the offices of the Comptroller and Purchasing Agent; and creates an Advisory Board on Post Office matters, consisting of the Postmaster General as chairman, the Deputy Postmaster General, and seven persons appointed by the President (became effective August 20, 1949).

PLAN NO. 4, to transfer the National Security Council and National Security Resources Board to the Executive Office of the President (became effective August 20, 1949).

PLAN NO. 5, to reorganize the Civil Service Commission. Makes the Chairman, who is designated by the President, the chief executive and administrative officer of the Commission and transfers to him the functions of appointing (with certain exceptions), supervising, and directing the personnel of the agency, preparing and executing the budget, executing and administering the civil service rules and regulations, and performing other activities not reserved to the Commission; reserves to the Commission as a body the promulgation of rules and regulations, the enforcement of the Hatch Act, the hearing of appeals, the investigation of civil service administration, the making of recommendations to the President for improving the service, and the revision of the budget; and creates an Executive Director appointed by the Chairman (became effective August 20, 1949).

PLAN NO. 6, to reorganize the United States Maritime Commission. Makes the Chairman the chief executive and administrative officer of the Commission; and transfers to the Chairman, the functions of the Commission as to appointing, supervising and directing the personnel of the agency and determining the internal organization (became effective August 20, 1949).

PLAN NO. 7, to transfer the Public Roads Administration to the Department of Commerce (became effective August 20, 1949; S. Res. 155, disapproving this plan, rejected by Senate August 17, 1949).

PLAN NO. 8, to convert the National Military Establishment into the Department of Defense, the Secretary of Defense to exercise authority, direction and control over the Department (became effective September 17, 1949).

PRESIDENT'S REORGANIZATION PLANS OF 1950

- Plan No. 1 of 1950 Rejected by Senate. House Doc. 505. Relates to the Treasury Department. S. Res. 246 and 247 were introduced to disapprove the plans. Senate hearings were held on S. Res. 246 and 247. Senate Committee reported S. Res. 246 without amendment, Senate Report 1518. Senate debated and agreed to the resolution.
- Plan No. 2 of 1950 Became effective May 24, 1950. House Doc. 506. Senate Report 1683. Relates to the Justice Department.
- Plan No. 3 of 1950. Became effective May 24, 1950. House Doc. 507. Senate Report 1545. Relates to the Interior Department.
- Plan No. 4 of 1950 Rejected by the Senate. House Doc. 508.
- Plan to (1) transfer all the functions now vested in other officers, employees, and agencies of the Department of Agriculture to the Secretary, except the functions of the hearing examiners, corporations, boards of directors and officers of corporations, and the Advisory Board of CCC; (2) authorize the Secretary to redelegate such responsibility to any officer, employee, or agency within the Department as he deems appropriate; (3) provide for two additional Assistant Secretaries to be appointed by the President and confirmed by the Senate; (4) and provide for an Administrative Assistant Secretary under the classified civil service at a salary of \$14,000 annually.
- S. Res. 263 was introduced to disapprove the plan. Senate hearings were held on the resolution, and the committee reported the resolution without amendment. Senate Report 1566. Senate debated and agreed to the resolution.
- Plan No. 5 of 1950 Became effective May 24, 1950. House Doc. 509. Relates to the Commerce Department.
- S. Res. 259 and H. Res. 546 were introduced to disapprove the plans. A hearing was held on both resolutions. Both resolutions were reported and discussed. S. Res. 259 was rejected.
- Plan No. 6 of 1950 Became effective May 24, 1950. House Doc. 510. Relates to Labor Department.
- H. Res. 522 was introduced to reject the plan. The Committee held hearings and reported the resolution without amendment. H. Rept. 1907. House debated and rejected the resolution.
- Plan No. 7 of 1950 Rejected by the Senate. House Doc. 511. Relates to the Interstate Commerce Commission.
- S. Res. 253 and H. Res. 545 were introduced to disapprove the plan. A hearing was held on both resolutions. Both resolutions were reported and discussed. S. Res. 253 was rejected.

Plan No. 8 of 1950	<p>Became effective May 24, 1950. House Doc. 512. Relates to the Federal Trade Commission.</p> <p>S. Res. 254 was introduced to disapprove the plan. The Committee held hearings and reported the resolution adversely. It was debated and rejected. Hearings held on S. Res. 253.</p>
Plan No. 9 of 1950	<p>Became effective May 24, 1950. House Doc. 513. Relates to the Federal Power Commission.</p> <p>S. Res. 255 was introduced to disapprove the plan. The Committee held hearings (on S. Res. 253) and reported the resolution unfavorably. The resolution was discussed and rejected.</p>
Plan No. 10 of 1950	<p>Became effective May 24, 1950. House Doc. 514. Relates to the Securities and Exchange Commission. Senate Report 1685.</p>
Plan No. 11 of 1950	<p>Rejected by Senate. House Doc. 515. Relates to the Federal Communications Commission.</p> <p>S. Res. 256 was introduced to disapprove the plan. The Committee held hearings (on S. Res. 253) and reported the resolution unfavorably. The resolution was discussed and agreed to.</p>
Plan No. 12, 1950	<p>Rejected by Senate. House Doc. 516. Relates to the National Labor Relations Board.</p> <p>S. Res. 248 and H. Res. 516 were introduced to disapprove the plan. The House Committee held hearings on H. Res. 516 and both committees reported the resolutions without amendment. Senate Committee debated and agreed to S. Res. 248.</p>
Plan No. 13 of 1950	<p>Became effective May 24, 1950. House Doc. 517. Senate Report 1686. Relates to the Civil Aeronautics Board.</p>
Plan No. 14 of 1950	<p>Became effective May 24, 1950. House Doc. 518. Senate Report 1546. Relates to the coordination of the administration of Labor Standards.</p>
Plan No. 15, 1950	<p>Became effective May 24, 1950. House Doc. 520. Senate Report 1547. Relates to transferring public works functions in Alaska and the Virgin Islands from the General Services Admin. to Interior Dept.</p>
Plan No. 16 of 1950	<p>Became effective May 24, 1950. House Doc. 521. Senate Report 1548. Relates to transferring GSA assistance to local school districts and water-pollution control to the Federal Security Agency.</p>
Plan No. 17 of 1950	<p>Became effective May 24, 1950. House Doc. 522. Relates to GSA advance planning of nonFederal public works and the management and disposal of certain war public works to the to the Housing and Home Finance Agency.</p>

S. Res. 271 was introduced to disapprove the plan. The Committee held hearings and reported the resolution without recommendation. Senate discussed and rejected the resolution.

Plan 18 of 1950

Became effective May 24, 1950. House Doc. 523. Provides for the transfer to GSA of the functions of the various agencies with respect to leasing and assigning General-purpose space in buildings and the operation, maintenance, and custody of office buildings.

S. Res. 270 and H. Res. 539 and 541 were introduced to disapprove the plan. Hearings were held by both committees and the resolutions were reported. Senate debated and rejected S. Res. 270.

Plan 19 of 1950

Became effective May 24, 1950. House Doc. 524. Relates to transferring Employees' Compensation functions from Federal Security Agency to Labor Department. Senate Report 1549.

Plan 20 of 1950

Became effective May 24, 1950. House Doc. 525. Relates to transferring from State Department to GSA the functions regarding preparation of the Statutes at Large and other matters. Senate Report 1550.

Plan 21 of 1950

Became effective May 24, 1950. House Doc. 526. Relates to transferring the Maritime Commission to Commerce Dept.

S. Res. 265 was introduced to disapprove the plan. The Committee held hearings and reported the resolution without recommendation. Senate discussed and rejected the resolution.

Plan 22 of 1950

Became effective July 9, 1950. House Doc. 587. Relates transferring the Federal National Mortgage Association from RFC to Housing and Home Finance Agency.

S. Res. 299 was introduced to disapprove the plan. The Committee held hearings and reported the resolution without recommendations. Senate discussed and rejected the resolution.

Plan 23 of 1950

Became effective July 9, 1950. House Doc. 588. Relates to transfer from RFC to Housing and Home Finance Agency functions regarding loans for prefabricated housing. S. Rept. 1870.

Plan 24 of 1950

Rejected by Senate. House Doc. 589. Relates to transferring RFC to Commerce Department.

H. Res. 648 and S. Res. 290 were introduced to disapprove the plan. The House Committee held hearings, reported the resolution, debated and rejected it. The Senate Committee held hearings, reported the resolution, debated and agreed to it.

Plan 25, 1950

Became effective July 9, 1950. House Doc. 590. Relates to the National Security Resources Board.

Plan 26, 1950

Became effective July 31, 1950. House Doc. 609. Relating to the Treasury Department. Senate Report 1869.

Plan 27, 1950

Rejected by House. House Doc. 610. Relates to establishing a Department of Health, Education, and Welfare.

S. Res. 302 and H. Res. 647 were introduced to disapprove the plan. Both Committees held hearings and reported the resolutions without amendment. House debated and agreed to the House Resolution.

October 12, 1950

Senate Report 2581. Action on Hoover Commission Reports. Report of the Committee on Expenditures in the Executive Departments.

NEW REORGANIZATION MEASURE

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

HIS RECOMMENDATION FOR THE ENACTMENT OF A NEW REORGANIZATION MEASURE

JANUARY 17, 1949.—Referred to the Committee on Expenditures in the Executive Departments, and ordered to be printed

To the Congress of the United States:

In my recent messages to the Congress I have presented the program which I believe this Government should follow in the months ahead. The magnitude and importance of that program, both at home and abroad, require able leadership and sound management. The Government must have the most effective administrative machinery to carry out its vast responsibilities.

The Congress has recognized these needs by the establishment of the Commission on the Organization of the Executive Branch of the Government. The recommendations of the Commission, which are soon to be reported to the Congress, may be expected to contribute significantly to our ability to meet the problem before us. To carry out those recommendations and to accomplish other improvements in the Government's complex operations will, however, require further and more detailed steps. Improving the management of the public's business calls for continuing efforts by the Congress, the President, and all agencies of Government.

Throughout my administration I have taken action to effect improvements in the organization and operation of the Government. In 1945 I asked the Congress to enact legislation authorizing permanent changes in administrative structure by the reorganization plan procedure. Under the authority granted by the Reorganization Act of 1945, numerous reorganizations were made which contributed to the efficiency of the Government and its transition from war to peace. The establishment of the permanent Housing and Home

Finance Agency was an outstanding example of the improvements thus achieved. I also recommended, and the Congress enacted, a major improvement in the organization of our armed forces by the creation of the National Military Establishment. On matters not requiring legislation I have made program adjustments designed to increase the effectiveness of governmental operations.

It is my firm intention to continue to require, throughout the executive branch, the highest degree of attention to this need for improved management. I expect each department and agency head to consider this a major part of his responsibility. It is essential that they be given the tools for effective management of their agencies. Further, I believe that every official and employee of the Government should feel a personal responsibility for improving the way in which his work is performed.

Increased efficiency and economy in the Government's far-flung activities can be realized only if certain essentials of organization and operation are satisfied. These essentials are not confined to Government. They have proven their effectiveness in the successful operation of large-scale enterprise, both public and private. They are matters on which it is easy to agree in principle but which are often violated in practice.

There must be, first of all, a clear definition of the objectives of public programs. Second, organizational arrangements must be established which are consistent with those objectives and designed to produce responsible and effective administration. Third, qualified personnel must be obtained to administer the programs. Fourth, the methods by which operations are conducted must be constantly reviewed and improved. Fifth, there must be provision for thoroughgoing review and evaluation of operations, by the President and the Congress, to assure that the objectives are being attained. These conditions can be achieved only through teamwork by the President and the Congress in carrying out their respective responsibilities under the Constitution for conducting the affairs of Government.

I have already recommended to the Congress two measures which will help us obtain better government. The enactment of legislation to increase the compensation of the heads and assistant heads of departments and agencies and to revise the Classification Act will greatly assist the Government in securing and holding the services of the best-qualified men and women. The appropriation to the President of a special fund of \$1,000,000 for management improvement will yield major contributions to the better operation of the Government. It will be used in part for the development and installation of recommendations coming from the Commission on Organization of the Executive Branch and, in part, for the preliminary expenses incident to the appraisal and trial of other suggested improvements. This fund will in no sense be a substitute for the present day-to-day efforts by all Government agencies to improve the conduct of their operations.

In addition to these steps, I am now recommending that the Congress enact legislation to restore permanently the reorganization procedure temporarily provided by the Reorganization Acts of 1939 and 1945. This procedure is the method of executive-legislative cooperation whereby a reorganization plan submitted to the Congress

by the President becomes effective in 60 days unless rejected by both Houses of the Congress.

In a letter to the President of the Senate and the Speaker of the House of Representatives, the Commission on the Organization of the Executive Branch of the Government has pointed out the need for such a method of reorganization in dealing with many of the changes which it will recommend. I fully agree with the Commission on the necessity of reviving the reorganization-plan procedure, which became inoperative on April 1, 1948.

In recommending the enactment of a new reorganization measure, I wish to emphasize three things.

First, the reorganization legislation should be permanent rather than temporary. While the work of the Commission on the Organization of the Executive Branch of the Government makes such legislation especially timely and essential, the improvement of the organization of the Government is a continuing and never-ending process. Government is a dynamic institution. Its administrative structure cannot be static. As new programs are established and old programs change in character and scope to meet the needs of the Nation, the organization of the executive branch must be adjusted to fit its changing tasks.

The impracticability of solving many problems of organization by the regular legislative process has been frankly recognized for many years by congressional leaders. In many cases, changes which are essential cannot attract the necessary legislative attention in competition with the many other matters pressing for congressional action. On the other hand, the reorganization plan affords a method by which action can be initiated and the proposal considered with a minimum consumption of legislative time.

The reorganization-plan procedure is a tested and proven means of dealing with organization problems. Twice within the last 10 years the Congress has authorized this method of reorganization for short periods. Under each of those authorizations many changes were made which added to the efficiency of the executive branch and tended to simplify its administration. The advances made during the brief life of the Reorganization Acts of 1939 and 1945 clearly indicate the desirability of permanent reorganization legislation.

Second, the new reorganization act should be comprehensive in scope; no agency or function of the executive branch should be exempted from its operation. Such exemptions prevent the President and the Congress from deriving the full benefit of the reorganization-plan procedure, primarily by precluding action on major organizational problems. A seemingly limited exemption may in fact render an entire needed reorganization affecting numerous agencies and functions wholly impractical. The proper protection against the possibility of unwise reorganization lies, not in the statutory exemption from the reorganization-plan procedure, but in the authority of Congress to reject any such plan by simple majority vote of both Houses.

Finally, let me urge early enactment. Under the reorganization procedure, reorganization plans must lie before the Congress for 60 calendar days of continuous session in order to become effective. Unless the necessary legislation is adopted in the early weeks of the

session, it obviously will be impossible to make effective use of the reorganization procedure during the present session.

The proper execution of the laws demands a simple, workable method of making organizational adjustments. Without it the efficiency of the Government is impaired and the President is handicapped in performing his functions as Chief Executive. In my judgment permanent legislation to restore the reorganization-plan procedure is an essential step toward efficient and economical conduct of the public's business.

HARRY S. TRUMAN.

THE WHITE HOUSE, *January 17, 1949.*

○

H. R. 1569

JANUARY 17, 1949

A BILL

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

4 SHORT TITLE

7 NEED FOR REORGANIZATIONS

8 SEC. 2. (a) The President shall examine and from time
9 to time reexamine the organization of all agencies of the
10 Government and shall determine what changes therein are
11 necessary to accomplish the following purposes:

1 (1) to promote the better execution of the laws,
2 the more effective management of the executive branch
3 of the Government and of its agencies and functions,
4 and the expeditious administration of the public business;

5 (2) to reduce expenditures and promote economy,
6 to the fullest extent consistent with the efficient operation
7 of the Government;

8 (3) to increase the efficiency of the operations of
9 the Government to the fullest extent practicable;

10 (4) to group, coordinate, and consolidate agencies
11 and functions of the Government, as nearly as may be,
12 according to major purposes;

13 (5) to reduce the number of agencies by consolidating
14 those having similar functions under a single
15 head, and to abolish such agencies or functions thereof
16 as may not be necessary for the efficient conduct of
17 the Government; and

18 (6) to eliminate overlapping and duplication of
19 effort.

20 (b) The Congress declares that the public interest
21 demands the carrying out of the purposes specified in sub-
22 section (a) and that such purposes may be accomplished in
23 great measure by proceeding under the provisions of this
24 Act, and can be accomplished more speedily thereby than
25 by the enactment of specific legislation.

REORGANIZATION PLANS

SEC. 3. Whenever the President, after investigation, finds that—

(1) the transfer of the whole or any part of any agency, or of the whole or any part of the functions thereof, to the jurisdiction and control of any other agency; or

(2) the abolition of all or any part of the functions of any agency; or

(3) the consolidation or coordination of the whole or any part of any agency, or of the whole or any part of the functions thereof, with the whole or any part of any other agency or the functions thereof; or

(4) the consolidation or coordination of any part of any agency or the functions thereof with any other part of the same agency or the functions thereof; or

(5) the authorization of any officer to delegate any of his functions; or

(6) the abolition of the whole or any part of any agency which agency or part does not have, or upon the taking effect of the reorganization plan will not have, any functions,

is necessary to accomplish one or more of the purposes of section 2 (a), he shall prepare a reorganization plan for the making of the reorganizations as to which he has made find-

1 ings and which he includes in the plan, and transmit such
2 plan (bearing an identifying number) to the Congress, to-
3 gether with a declaration that, with respect to each reorgani-
4 zation included in the plan, he has found that such reorgani-
5 zation is necessary to accomplish one or more of the purposes
6 of section 2 (a). The delivery to both Houses shall be on
7 the same day and shall be made to each House while it is in
8 session. The President, in his message transmitting a re-
9 organization plan, shall specify with respect to each abolition
10 of a function included in the plan the statutory authority for
11 the exercise of such function.

12 OTHER CONTENTS OF PLANS

13 SEC. 4. Any reorganization plan transmitted by the
14 President under section 3—

15 (1) shall change, in such cases as he deems neces-
16 sary, the name of any agency affected by a reorganiza-
17 tion, and the title of its head; and shall designate the
18 name of any agency resulting from a reorganization
19 and the title of its head;

20 (2) may include provisions for the appointment
21 and compensation of the head and one or more other
22 officers of any agency (including an agency resulting
23 from a consolidation or other type of reorganization) if
24 the President finds, and in his message transmitting the

1 plan declares, that by reason of a reorganization made
2 by the plan such provisions are necessary. The head so
3 provided for may be an individual or may be a com-
4 mission or board with two or more members. In the
5 case of any such appointment the term of office shall not
6 be fixed at more than four years, the compensation shall
7 not be at a rate in excess of that found by the Presi-
8 dent to prevail in respect of comparable officers in the
9 executive branch, and, if the appointment is not under
10 the classified civil service, it shall be by the President,
11 by and with the advice and consent of the Senate;

12 (3) shall make provision for the transfer or other
13 disposition of the records, property, and personnel
14 affected by any reorganization;

15 (4) shall make provision for the transfer of such
16 unexpended balances of appropriations, and of other
17 funds, available for use in connection with any function
18 or agency affected by a reorganization, as he deems
19 necessary by reason of the reorganization for use in con-
20 nection with the functions affected by the reorganization,
21 or for the use of the agency which shall have such func-
22 tions after the reorganization plan is effective, but such
23 unexpended balances so transferred shall be used only

1 for the purposes for which such appropriation was
2 originally made;

3 (5) shall make provision for winding up the af-
4 fairs of any agency abolished.

5 LIMITATIONS ON POWERS WITH RESPECT TO
6 REORGANIZATIONS

7 SEC. 5. No reorganization plan shall provide for, and no
8 reorganization under this Act shall have the effect of—

9 (1) abolishing or transferring an executive depart-
10 ment or all the functions thereof or consolidating any
11 two or more executive departments or all the functions
12 thereof; or

13 (2) continuing any agency beyond the period au-
14 thorized by law for its existence or beyond the time when
15 it would have terminated if the reorganization had not
16 been made; or

17 (3) continuing any function beyond the period au-
18 thorized by law for its exercise, or beyond the time when
19 it would have terminated if the reorganization had not
20 been made; or

21 (4) authorizing any agency to exercise any func-
22 tion which is not expressly authorized by law at the time
23 the plan is transmitted to the Congress; or

24 (5) increasing the term of any office beyond that
25 provided by law for such office; or

(6) transferring to or consolidating with any other agency the municipal government of the District of Columbia or all those functions thereof which are subject to this Act, or abolishing said government or all said functions.

TAKING EFFECT OF REORGANIZATIONS

SEC. 6. (a) Except as may be otherwise provided pursuant to subsection (c) of this section, the provisions of the reorganization plan shall take effect upon the expiration of the first period of sixty calendar days, of continuous session of the Congress, following the date on which the plan is transmitted to it; but only if, between the date of transmittal and the expiration of such sixty-day period there has not been passed by the two Houses a concurrent resolution stating in substance that the Congress does not favor the reorganization plan.

(b) For the purposes of subsection (a) —

(1) continuity of session shall be considered as broken only by an adjournment of the Congress sine die; but

(2) in the computation of the sixty-day period there shall be excluded the days on which either House is not in session because of an adjournment of more than three days to a day certain; except that if a resolution (as defined in section 202) with respect to such reorgani-

1 zation plan has been passed by one House and sent
2 to the other, no exclusion under this paragraph shall
3 be made by reason of adjournments of the first House
4 taken thereafter.

(c) Any provision of the plan may, under provisions contained in the plan, be made operative at a time later than the date on which the plan shall otherwise take effect.

8 DEFINITION OF “AGENCY”

9 SEC. 7. When used in this Act, the term "agency"
10 means any executive department, commission, council, in-
11 dependent establishment, Government corporation, board,
12 bureau, division, service, office, officer, authority, adminis-
13 tration or other establishment, in the executive branch of
14 the Government, and means also any and all parts of the
15 municipal government of the District of Columbia except the
16 courts thereof. Such term does not include the Comptroller
17 General of the United States or the General Accounting
18 Office, which are a part of the legislative branch of the
19 Government.

20 MATTERS DEEMED TO BE REORGANIZATIONS

21 SEC. 8. For the purposes of this Act the term “reor-
22 ganization” means any transfer, consolidation, coordination,
23 authorization, or abolition, referred to in section 3.

24 SAVING PROVISIONS

25 SEC. 9. (a) (1) Any statute enacted, and any regula-

1 tion or other action made, prescribed, issued, granted, or
2 performed in respect of or by any agency or function af-
3 fected by a reorganization under the provisions of this Act,
4 before the effective date of such reorganization, shall, except
5 to the extent rescinded, modified, superseded, or made in-
6 applicable by or under authority of law or by the abolition
7 of a function, have the same effect as if such reorganization
8 had not been made; but where any such statute, regulation,
9 or other action has vested the function in the agency from
10 which it is removed under the plan, such function shall, in-
11 sofar as it is to be exercised after the plan becomes effective,
12 be considered as vested in the agency under which the
13 function is placed by the plan.

14 (2) As used in paragraph (1) of this subsection the
15 term "regulation or other action" means any regulation, rule,
16 order, policy, determination, directive, authorization, permit,
17 privilege, requirement, designation, or other action.

18 (b) No suit, action, or other proceeding lawfully com-
19 menced by or against the head of any agency or other officer
20 of the United States, in his official capacity or in relation to
21 the discharge of his official duties, shall abate by reason of the
22 taking effect of any reorganization plan under the provisions
23 of this Act, but the court may, on motion or supplemental
24 petition filed at any time within twelve months after such

1 reorganization plan takes effect, showing a necessity for a
2 survival of such suit, action, or other proceeding to obtain a
3 settlement of the questions involved, allow the same to be
4 maintained by or against the successor of such head or officer
5 under the reorganization effected by such plan or, if there
6 be no such successor, against such agency or officer as the
7 President shall designate.

8 UNEXPENDED APPROPRIATIONS

9 SEC. 10. The appropriations or portions of appropria-
10 tions unexpended by reason of the operation of this Act shall
11 not be used for any purpose, but shall be impounded and
12 returned to the Treasury.

13 PRINTING OF REORGANIZATION PLANS

14 SEC. 11. Each reorganization plan which shall take
15 effect shall be printed in the Statutes at Large in the same
16 volume as the public laws, and shall be printed in the Federal
17 Register.

18 TITLE II

19 SEC. 201. The following sections of this title are enacted
20 by the Congress:

21 (a) As an exercise of the rule-making power of the
22 Senate and the House of Representatives, respectively, and
23 as such they shall be considered as part of the rules of each
24 House, respectively, but applicable only with respect to the
25 procedure to be followed in such House in the case of reso-

1 lutions (as defined in section 202) ; and such rules shall
2 supersede other rules only to the extent that they are incon-
3 sistent therewith; and

4 (b) With full recognition of the constitutional right of
5 either House to change such rules (so far as relating to the
6 procedure in such House) at any time, in the same manner
7 and to the same extent as in the case of any other rule of
8 such House.

9 SEC. 202. As used in this title, the term "resolution"
10 means only a concurrent resolution of the two Houses of
11 Congress, the matter after the resolving clause of which is as
12 follows: "That the Congress does not favor the reorganiza-
13 tion plan numbered ——— transmitted to Congress by the
14 President on ———, 19—.", the blank spaces therein
15 being appropriately filled; and does not include a concurrent
16 resolution which specifies more than one reorganization plan.

17 SEC. 203. A resolution with respect to a reorganization
18 plan shall be referred to a committee (and all resolutions
19 with respect to the same plan shall be referred to the same
20 committee) by the President of the Senate or the Speaker
21 of the House of Representatives, as the case may be.

22 SEC. 204. (a) If the committee to which has been
23 referred a resolution with respect to a reorganization plan
24 has not reported it before the expiration of ten calendar
25 days after its introduction (or, in the case of a resolution

1 received from the other House, ten calendar days after its
2 receipt), it shall then (but not before) be in order to move
3 either to discharge the committee from further considera-
4 tion of such resolution, or to discharge the committee from
5 further consideration of any other resolution with respect
6 to such reorganization plan which has been referred to the
7 committee.

8 (b) Such motion may be made only by a person favor-
9 ing the resolution, shall be highly privileged (except that
10 it may not be made after the committee has reported a
11 resolution with respect to the same reorganization plan),
12 and debate thereon shall be limited to not to exceed one
13 hour, to be equally divided between those favoring and those
14 opposing the resolution. No amendment to such motion
15 shall be in order, and it shall not be in order to move to
16 reconsider the vote by which such motion is agreed to or
17 disagreed to.

18 (c) If the motion to discharge is agreed to or disagreed
19 to, such motion may not be renewed, nor may another motion
20 to discharge the committee be made with respect to any
21 other resolution with respect to the same reorganization plan.

22 SEC. 205. (a) When the committee has reported, or has
23 been discharged from further consideration of, a resolution
24 with respect to a reorganization plan, it shall at any time
25 thereafter be in order (even though a previous motion to the

1 same effect has been disagreed to) to move to proceed to
2 the consideration of such resolution. Such motion shall be
3 highly privileged and shall not be debatable. No amend-
4 ment to such motion shall be in order and it shall not be
5 in order to move to reconsider the vote by which such mo-
6 tion is agreed to or disagreed to.

7 (b) Debate on the resolution shall be limited to not
8 to exceed ten hours, which shall be equally divided between
9 those favoring and those opposing the resolution. A motion
10 further to limit debate shall not be debatable. No amend-
11 ment to, or motion to recommit, the resolution shall be in
12 order, and it shall not be in order to move to reconsider
13 the vote by which the resolution is agreed to or disagreed to.

14 SEC. 206. (a) All motions to postpone, made with re-
15 spect to the discharge from committee, or the considera-
16 tion of, a resolution with respect to a reorganization plan, and
17 all motions to proceed to the consideration of other business,
18 shall be decided without debate.

19 (b) All appeals from the decisions of the Chair relating
20 to the application of the rules of the Senate or the House
21 of Representatives, as the case may be, to the procedure
22 relating to a resolution with respect to a reorganization plan
23 shall be decided without debate.

24 SEC. 207. If, prior to the passage by one House of a
25 resolution of that House with respect to a reorganization

1 plan, such House receives from the other House a resolution
2 with respect to the same plan, then—

3 (a) If no resolution of the first House with respect to
4 such plan has been referred to committee, no other resolution
5 with respect to the same plan may be reported or (despite
6 the provisions of section 204 (a)) be made the subject of
7 a motion to discharge.

8 (b) If a resolution of the first House with respect to
9 such plan has been referred to committee—

10 (1) the procedure with respect to that or other
11 resolutions of such House with respect to such plan
12 which have been referred to committee shall be the
13 same as if no resolution from the other House with re-
14 spect to such plan had been received; but

15 (2) on any vote on final passage of a resolution
16 of the first House with respect to such plan the resolu-
17 tion from the other House with respect to such plan
18 shall be automatically substituted for the resolution of
19 the first House.

A BILL

To provide for the reorganization of Government agencies, and for other purposes.

By Mr. DAWSON

JANUARY 17, 1949

Referred to the Committee on Expenditures in the
Executive Departments

S. 526

JANUARY 17, 1949

A BILL

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

4 SHORT TITLE

7 NEED FOR REORGANIZATIONS

8 SEC. 2. (a) The President shall examine and from
9 time to time reexamine the organization of all agencies of
10 the Government and shall determine what changes therein
11 are necessary to accomplish the following purposes:

1 (1) to promote the better execution of the laws,
2 the more effective management of the executive branch
3 of the Government and of its agencies and functions,
4 and the expeditious administration of the public
5 business;

6 (2) to reduce expenditures and promote economy,
7 to the fullest extent consistent with the efficient opera-
8 tion of the Government;

9 (3) to increase the efficiency of the operations of
10 the Government to the fullest extent practicable;

11 (4) to group, coordinate, and consolidate agencies
12 and functions of the Government, as nearly as may be,
13 according to major purposes;

14 (5) to reduce the number of agencies by con-
15 solidating those having similar functions under a single
16 head, and to abolish such agencies or functions thereof
17 as may not be necessary for the efficient conduct of the
18 Government; and

19 (6) to eliminate overlapping and duplication of
20 effort.

21 (b) The Congress declares that the public interest de-
22 mands the carrying out of the purposes specified in sub-
23 section (a) and that such purposes may be accomplished in
24 great measure by proceeding under the provisions of this Act,

1 and can be accomplished more speedily thereby than by the
2 enactment of specific legislation.

3 REORGANIZATION PLANS

4 SEC. 3. Whenever the President, after investigation,
5 finds that—

6 (1) the transfer of the whole or any part of any
7 agency, or of the whole or any part of the functions
8 thereof, to the jurisdiction and control of any other
9 agency; or

10 (2) the abolition of all or any part of the functions
11 of any agency; or

12 (3) the consolidation or coordination of the whole
13 or any part of any agency, or of the whole or any part
14 of the functions thereof, with the whole or any part of
15 any other agency or the functions thereof; or

16 (4) the consolidation or coordination of any part
17 of any agency or the functions thereof with any other
18 part of the same agency or the functions thereof; or

19 (5) the authorization of any officer to delegate any
20 of his functions; or

21 (6) the abolition of the whole or any part of any
22 agency which agency or part does not have, or upon
23 the taking effect of the reorganization plan will not have,
24 any functions,

1 is necessary to accomplish one or more of the purposes of
2 section 2 (a), he shall prepare a reorganization plan for
3 the making of the reorganizations as to which he has made
4 findings and which he includes in the plan, and transmit such
5 plan (bearing an identifying number) to the Congress, to-
6 gether with a declaration that, with respect to each reorgan-
7 ization included in the plan, he has found that such
8 reorganization is necessary to accomplish one or more of the
9 purposes of section 2 (a). The delivery to both Houses
10 shall be on the same day and shall be made to each House
11 while it is in session. The President, in his message trans-
12 mitting a reorganization plan, shall specify with respect to
13 each abolition of a function included in the plan the statutory
14 authority for the exercise of such function.

15 OTHER CONTENTS OF PLANS

16 SEC. 4. Any reorganization plan transmitted by the
17 President under section 3—

18 (1) shall change, in such cases as he deems neces-
19 sary, the name of any agency affected by a reorganiza-
20 tion, and the title of its head; and shall designate the
21 name of any agency resulting from a reorganization and
22 the title of its head;

23 (2) may include provisions for the appointment and
24 compensation of the head and one or more other officers
25 of any agency (including an agency resulting from a

consolidation or other type of reorganization) if the President finds, and in his message transmitting the plan declares, that by reason of a reorganization made by the plan such provisions are necessary. The head so provided for may be an individual or may be a commission or board with two or more members. In the case of any such appointment the term of office shall not be fixed at more than four years, the compensation shall not be at a rate in excess of that found by the President to prevail in respect of comparable officers in the executive branch, and, if the appointment is not under the classified civil service, it shall be by the President, by and with the advice and consent of the Senate;

(3) shall make provision for the transfer or other disposition of the records, property, and personnel affected by any reorganization;

(4) shall make provision for the transfer of such unexpended balances of appropriations, and of other funds, available for use in connection with any function or agency affected by a reorganization, as he deems necessary by reason of the reorganization for use in connection with the functions affected by the reorganization, or for the use of the agency which shall have such functions after the reorganization plan is effective, but such unexpended balances so transferred shall be

1 used only for the purposes for which such appropriation
2 was originally made;

3 (5) shall make provision for winding up the af-
4 fairs of any agency abolished.

5 LIMITATIONS ON POWERS WITH RESPECT TO
6 REORGANIZATIONS

7 SEC. 5. No reorganization plan shall provide for, and
8 no reorganization under this Act shall have the effect of—

9 (1) abolishing or transferring an executive depart-
10 ment or all the functions thereof or consolidating any two
11 or more executive departments or all the functions
12 thereof; or

13 (2) continuing any agency beyond the period
14 authorized by law for its existence or beyond the time
15 when it would have terminated if the reorganization had
16 not been made; or

17 (3) continuing any function beyond the period
18 authorized by law for its exercise, or beyond the time
19 when it would have terminated if the reorganization had
20 not been made; or

21 (4) authorizing any agency to exercise any func-
22 tion which is not expressly authorized by law at the time
23 the plan is transmitted to the Congress; or

24 (5) increasing the term of any office beyond that
25 provided by law for such office; or

(6) transferring to or consolidating with any other agency the municipal government of the District of Columbia or all those functions thereof which are subject to this Act, or abolishing said government or all said functions.

TAKING EFFECT OF REORGANIZATIONS

SEC. 6. (a) Except as may be otherwise provided pursuant to subsection (c) of this section, the provisions of the reorganization plan shall take effect upon the expiration of the first period of sixty calendar days, of continuous session of the Congress, following the date on which the plan is transmitted to it; but only if, between the date of transmittal and the expiration of such sixty-day period there has not been passed by the two Houses a concurrent resolution stating in substance that the Congress does not favor the reorganization plan.

(b) For the purposes of subsection (a) —

(1) continuity of session shall be considered as broken only by an adjournment of the Congress sine die; but

(2) in the computation of the sixty-day period there shall be excluded the days on which either House is not in session because of an adjournment of more than three days to a day certain; except that if a resolution (as defined in section 202) with respect to such

1 reorganization plan has been passed by one House and
2 sent to the other, no exclusion under this paragraph
3 shall be made by reason of adjournments of the first
4 House taken thereafter.

5 (c) Any provision of the plan may, under provisions
6 contained in the plan, be made operative at a time later
7 than the date on which the plan shall otherwise take effect.

8 DEFINITION OF "AGENCY"

9 SEC. 7. When used in this Act, the term "agency"
10 means any executive department, commission, council, inde-
11 pendent establishment, Government corporation, board, bu-
12 reau, division, service, office, officer, authority, administration,
13 or other establishment, in the executive branch of the Gov-
14 ernment, and means also any and all parts of the municipal
15 government of the District of Columbia except the courts
16 thereof. Such term does not include the Comptroller General
17 of the United States or the General Accounting Office, which
18 are a part of the legislative branch of the Government.

19 MATTERS DEEMED TO BE REORGANIZATIONS

20 SEC. 8. For the purposes of this Act the term "reorgan-
21 ization" means any transfer, consolidation, coordination,
22 authorization, or abolition, referred to in section 3.

23 SAVING PROVISIONS

24 SEC. 9. (a) (1) Any statute enacted, and any regula-
25 tion or other action made, prescribed, issued, granted, or per-

1 formed in respect of or by any agency or function affected
2 by a reorganization under the provisions of this Act, before
3 the effective date of such reorganization, shall, except to the
4 extent rescinded, modified, superseded, or made inapplicable
5 by or under authority of law or by the abolition of a function,
6 have the same effect as if such reorganization had not been
7 made; but where any such statute, regulation, or other action
8 has vested the function in the agency from which it is
9 removed under the plan, such function shall, insofar as it is
10 to be exercised after the plan becomes effective, be considered
11 as vested in the agency under which the function is placed
12 by the plan.

13 (2) As used in paragraph (1) of this subsection the
14 term "regulation or other action" means any regulation, rule,
15 order, policy, determination, directive, authorization, permit,
16 privilege, requirement, designation, or other action.

17 (b) No suit, action, or other proceeding lawfully com-
18 menced by or against the head of any agency or other officer
19 of the United States, in his official capacity or in relation
20 to the discharge of his official duties, shall abate by reason of
21 the taking effect of any reorganization plan under the pro-
22 visions of this Act, but the court may, on motion or sup-
23 plemental petition filed at any time within twelve months
24 after such reorganization plan takes effect, showing a neces-

1 sity for a survival of such suit, action, or other proceeding
2 to obtain a settlement of the questions involved, allow the
3 same to be maintained by or against the successor of such
4 head or officer under the reorganization effected by such plan
5 or, if there be no such successor, against such agency or officer
6 as the President shall designate.

7 UNEXPENDED APPROPRIATIONS

8 SEC. 10. The appropriations or portions of appropria-
9 tions unexpended by reason of the operation of this Act
10 shall not be used for any purpose, but shall be impounded
11 and returned to the Treasury.

12 PRINTING OF REORGANIZATION PLANS

13 SEC. 11. Each reorganization plan which shall take
14 effect shall be printed in the Statutes at Large in the same
15 volume as the public laws, and shall be printed in the
16 Federal Register.

17 TITLE II

18 SEC. 201. The following sections of this title are enacted
19 by the Congress:

20 (a) As an exercise of the rule-making power of the
21 Senate and the House of Representatives, respectively, and
22 as such they shall be considered as part of the rules of each
23 House, respectively, but applicable only with respect to the
24 procedure to be followed in such House in the case of resolu-
25 tions (as defined in section 202) ; and such rules shall super-

1 sede other rules only to the extent that they are inconsistent
2 therewith; and

3 (b) With full recognition of the constitutional right of
4 either House to change such rules (so far as relating to the
5 procedure in such House) at any time, in the same manner
6 and to the same extent as in the case of any other rule of
7 such House.

8 SEC. 202. As used in this title, the term "resolution"
9 means only a concurrent resolution of the two Houses of
10 Congress, the matter after the resolving clause of which is
11 as follows: "That the Congress does not favor the reorgani-
12 zation plan numbered — transmitted to Congress by the
13 President on ———, 19—.", the blank spaces therein
14 being appropriately filled; and does not include a concur-
15 rent resolution which specifies more than one reorganiza-
16 tion plan.

17 SEC. 203. A resolution with respect to a reorganization
18 plan shall be referred to a committee (and all resolutions
19 with respect to the same plan shall be referred to the same
20 committee) by the President of the Senate or the Speaker
21 of the House of Representatives, as the case may be.

22 SEC. 204. (a) If the committee to which has been re-
23 ferred a resolution with respect to a reorganization plan has
24 not reported it before the expiration of ten calendar days after
25 its introduction (or, in the case of a resolution received from

1 the other House, ten calendar days after its receipt), it shall
2 then (but not before) be in order to move either to discharge
3 the committee from further consideration of such resolution,
4 or to discharge the committee from further consideration of
5 any other resolution with respect to such reorganization plan
6 which has been referred to the committee.

7 (b) Such motion may be made only by a person favor-
8 ing the resolution, shall be highly privileged (except that it
9 may not be made after the committee has reported a resolu-
10 tion with respect to the same reorganization plan), and
11 debate thereon shall be limited to not to exceed one hour,
12 to be equally divided between those favoring and those oppos-
13 ing the resolution. No amendment to such motion shall be
14 in order, and it shall not be in order to move to reconsider
15 the vote by which such motion is agreed to or disagreed to.

16 (c) If the motion to discharge is agreed to or disagreed
17 to, such motion may not be renewed, nor may another motion
18 to discharge the committee be made with respect to any
19 other resolution with respect to the same reorganization
20 plan.

21 SEC. 205. (a) When the committee has reported, or
22 has been discharged from further consideration of, a resolu-
23 tion with respect to a reorganization plan, it shall at any
24 time thereafter be in order (even though a previous motion

1 to the same effect has been disagreed to) to move to pro-
2 ceed to the consideration of such resolution. Such motion
3 shall be highly privileged and shall not be debatable. No
4 amendment to such motion shall be in order and it shall not
5 be in order to move to reconsider the vote by which such
6 motion is agreed to or disagreed to.

7 (b) Debate on the resolution shall be limited to not to
8 exceed ten hours, which shall be equally divided between
9 those favoring and those opposing the resolution. A motion
10 further to limit debate shall not be debatable. No amend-
11 ment to, or motion to recommit, the resolution shall be in
12 order, and it shall not be in order to move to reconsider the
13 vote by which the resolution is agreed to or disagreed to.

14 SEC. 206. (a) All motions to postpone, made with
15 respect to the discharge from committee, or the consideration
16 of, a resolution with respect to a reorganization plan, and
17 all motions to proceed to the consideration of other business,
18 shall be decided without debate.

19 (b) All appeals from the decisions of the Chair relating
20 to the application of the rules of the Senate or the House of
21 Representatives, as the case may be, to the procedure relat-
22 ing to a resolution with respect to a reorganization plan
23 shall be decided without debate.

24 SEC. 207. If, prior to the passage by one House of a

1 resolution of that House with respect to a reorganization
2 plan, such House receives from the other House a resolution
3 with respect to the same plan, then—

4 (a) If no resolution of the first House with respect to
5 such plan has been referred to committee, no other resolu-
6 tion with respect to the same plan may be reported or
7 (despite the provisions of section 204 (a)) be made the
8 subject of a motion to discharge.

9 (b) If a resolution of the first House with respect to
10 such plan has been referred to committee—

11 (1) the procedure with respect to that or other res-
12 olutions of such House with respect to such plan which
13 have been referred to committee shall be the same as if
14 no resolution from the other House with respect to such
15 plan had been received; but

16 (2) on any vote on final passage of a resolution of
17 the first House with respect to such plan the resolu-
18 tion from the other House with respect to such plan shall
19 be automatically substituted for the resolution of the
20 first House.

A BILL

To provide for the reorganization of Government agencies, and for other purposes.

By Mr. McCLELLAN, Mr. EASTLAND, Mr. MC-CARTHY, Mr. HOEY, and Mr. O'CONNOR

JANUARY 17, 1949

Read twice and referred to the Committee on Expenditures in the Executive Departments

S. 540. A bill to reestablish and extend certain rights granted by Public Law 690, Seventy-ninth Congress, as amended, and for other purposes; to the Committee on the Judiciary.

S. 541. A bill to amend the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the postal service; to establish uniform procedures for computing compensation; and for other purposes," approved July 6, 1945, with respect to clerks in air-mail field railway post offices; and

S. 542. A bill to amend the act of July 6, 1945, as amended, relating to the compensation of employees in the field service of the Post Office Department; to the Committee on Post Office and Civil Service.

(Mr. O'CONOR also introduced Senate bill 543, to provide for United States flag shipping participation in Government-financed cargoes, which was referred to the Committee on Interstate and Foreign Commerce, and appears under a separate heading.)

By Mr. MORSE:

S. 544. A bill to further amend section 302 (c) of the Agricultural Adjustment Act of 1938, as amended by section 202 (a) of the Agricultural Act of 1948; to the Committee on Agriculture and Forestry.

S. 545. A bill to provide for Federal participation in rights-of-way and other costs in connection with the authorized local flood protection project on Amazon Creek at and in the vicinity of Eugene, Oreg.; to the Committee on Public Works.

FEDERAL FUNDS FOR IMPROVEMENT OF LOCAL PUBLIC HEALTH SERVICE

Mr. HILL. Mr. President, on behalf of the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Oregon [Mr. CORDON], the Senator from Illinois [Mr. DOUGLAS], the Senator from Kentucky [Mr. CHAPMAN], the Senator from New Jersey [Mr. SMITH], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Nevada [Mr. MALONE], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from California [Mr. KNOWLAND], I introduce, for appropriate reference, a bill authorizing the appropriation of Federal funds to assist the States in improving and expanding their local public health services. Most Americans today take for granted their local health departments, unaware of the shocking deficiencies in health protection which result each year in 200,000 needless deaths, in sickness, poor health, and tremendous economic loss.

They do not know that less than 10,000,000 of our 146,000,000 people have professional, full-time health departments to guard their water, milk, and meat supplies from contamination, to supervise disposal of sewage and garbage and control communicable diseases.

Forty million Americans lack the basic protection of full-time health departments. Another 85,000,000 have only the dubious protection of understaffed health offices.

Disease-carrying flies, mosquitoes, and rats cannot be quarantined. The germs in today's garbage can be on your lunch tomorrow.

Public health is too often the forlorn stepchild among governmental services. Public health departments are too often pushed off into courthouse basements or attics, in abandoned schoolhouses, or old-fashioned dwellings. Only one-tenth of the local health departments in the United States have facilities for carrying

on a reasonably adequate public health program.

Health departments are desperate for trained, competent workers. Miserably low salaries are driving them into other jobs. There has been a 75-percent turnover among State health officers alone during the past 6 years.

The bill we are introducing, in providing Federal funds in aid to the States, would take a long step toward helping to get enough trained doctors, nurses, and technicians into the local and county health departments to carry on the great fight of preventive medicine against tuberculosis, syphilis, malaria, typhoid and undulant fever, hookworm, pellagra, infantile paralysis, dental caries, and the epidemic diseases.

The bill would help provide health examinations for our children at the all-important preschool age when so many physical defects can be discovered and corrected.

The bill, which gives aid on the basis of need, fully protects State control and administration of health programs and has the endorsement of the State and Territorial Health Officers Association, the American Public Health Association, and the American Medical Association. The bill is sponsored by some 30,000 chapters and 5,000,000 members of the National Congress of Parents and Teachers.

In urging the bill Mrs. L. W. Hughes, PTA president, recently declared:

This Nation is looked up to for its pre-eminence in medicine, sanitation, and cleanliness. Yet so long as millions of our people live under primitive public health conditions we must bow our heads in shame.

America has produced wondrous new drugs, equipment, and methods for mending and healing the human body. Yet we neglect to take the basic precautions of preventive medicine through adequate public health services. We must stop thinking of health so much in terms of remedies and cures, and begin thinking primarily in terms of prevention.

Benjamin Franklin said nearly 200 years ago that "public health is public wealth."

This bill will help America preserve her greatest resource—the health of her people—now being wasted by the pennywise denial of adequate support for public health services.

The bill (S. 522) to amend the Public Health Service Act to authorize assistance to States and political subdivisions in the development and maintenance of local public health units, and for other purposes, introduced by Mr. HILL (for himself, Mr. SALTONSTALL, Mr. CORDON, Mr. DOUGLAS, Mr. CHAPMAN, Mr. SMITH of New Jersey, Mr. HUMPHREY, Mr. MALONE, Mr. KEFAUVER, and Mr. KNOWLAND), was read twice by its title and referred to the Committee on Labor and Public Welfare.

CONSTRUCTION OF CERTAIN WORKS AT BONNERS FERRY, IDAHO

Mr. TAYLOR. Mr. President, I introduce for appropriate reference a bill to authorize the construction of certain works at Bonners Ferry, Idaho, in the interest of flood control and allied purposes.

Last year we suffered a very bad flood in Idaho, and this year there is a heavy snowfall, and unless action is taken, I am afraid it will result in the necessity for the expenditure of much more money than if we lock the stable before the horse goes out.

The bill (S. 524) authorizing the construction of certain works of improvement at Bonners Ferry, Idaho, in the interest of flood control and allied purposes, introduced by Mr. TAYLOR, was read twice by its title, and referred to the Committee on Public Works.

REORGANIZATION OF GOVERNMENT AGENCIES

Mr. McCLELLAN. Mr. President, on behalf of the senior Senator from Mississippi [Mr. EASTLAND], the junior Senator from Wisconsin [Mr. MCCARTHY], the senior Senator from North Carolina [Mr. HOEY], the junior Senator from Maryland [Mr. O'CONOR], and myself I introduce for appropriate reference a bill to provide for the reorganization of Government agencies, and for other purposes, in line with the message from the President just read. If enacted, the bill would be designated the "Reorganization Act of 1949."

The purpose of the bill is to increase efficiency and economy by reducing the number of Government agencies, eliminating duplication and overlapping, and obtaining better organization of the Government.

The bill carries out the recommendations made to the Congress by the President in the message which was read a few moments ago, as well as the recommendations of the Commission on Organization of the Executive Branch of the Government, in accordance with the letter submitted by the chairman of that Commission, former President Herbert Hoover, which was incorporated in the RECORD last week.

Both the President and the Commission have advised Congress that a simplified method of reorganization similar to that formerly authorized by the Reorganization Acts of 1939 and 1945 is essential for the substantial improvement in organization of the Government. This bill generally resembles the Reorganization Act of 1945, which became inoperative on April 1, 1948, but it is broader in scope, and is intended to be permanent rather than temporary legislation.

The bill empowers the President to submit reorganization plans which become effective after 60 days unless rejected by concurrent resolution of the two Houses of Congress.

Mr. President, I shall not at this time go into any further detail regarding the bill, but I should like to announce that the Committee on Expenditures in the Executive Departments will schedule hearings on the measure at an early date, and we shall undertake to hear, of course, those who are interested in the legislation, especially Members of the Senate who would like to be heard on it.

At this point, Mr. President, I ask unanimous consent to have printed in the body of the RECORD the bill as introduced, together with a statement indi-

cating that part of the Reorganization Act of 1945 which has been eliminated from the bill. It also indicates new provisions included in the measure I am presenting which were not in the 1945 act.

I do this so that Members of the Senate may easily ascertain by reading this material, what the differences are, better to enable them to prepare any testimony they may wish to present.

The PRESIDENT pro tempore. The bill will be appropriately referred, and, without objection, the bill, together with the statement by the Senator from Arkansas will be printed in the RECORD.

The bill (S. 526) to provide for the reorganization of Government agencies, and for other purposes, introduced by Mr. McCLELLAN (for himself, Mr. EASTLAND, Mr. MCCARTHY, Mr. HOEY, and Mr. O'CONOR) was read twice by its title, referred to the Committee on Expenditures in the Executive Departments, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc.—

TITLE I SHORT TITLE

SECTION 1. This act may be cited as the "Reorganization Act of 1949."

NEED FOR REORGANIZATIONS

SEC. 2. (a) The President shall examine and from time to time reexamine the organization of all agencies of the Government and shall determine what changes therein are necessary to accomplish the following purposes:

(1) to promote the better execution of the laws, the more effective management of the executive branch of the Government and of its agencies and functions, and the expeditious administration of the public business;

(2) to reduce expenditures and promote economy, to the fullest extent consistent with the efficient operation of the Government;

(3) to increase the efficiency of the operations of the Government to the fullest extent practicable;

(4) to group, coordinate, and consolidate agencies and functions of the Government, as nearly as may be, according to major purposes;

(5) to reduce the number of agencies by consolidating those having similar functions under a single head, and to abolish such agencies or functions thereof as may not be necessary for the efficient conduct of the Government; and

(6) to eliminate overlapping and duplication of effort.

(b) The Congress declares that the public interest demands the carrying out of the purposes specified in subsection (a) and that such purposes may be accomplished in great measure by proceeding under the provisions of this act, and can be accomplished more speedily thereby than by the enactment of specific legislation.

REORGANIZATION PLANS

SEC. 3. Whenever the President, after investigation, finds that—

(1) the transfer of the whole or any part of any agency, or of the whole or any part of the functions thereof, to the jurisdiction and control of any other agency; or

(2) the abolition of all or any part of the functions of any agency; or

(3) the consolidation or coordination of the whole or any part of any agency, or of the whole or any part of the functions thereof, with the whole or any part of any other agency or the functions thereof; or

(4) the consolidation or coordination of any part of any agency or the functions

thereof with any other part of the same agency or the functions thereof; or

(5) the authorization of any officer to delegate any of his functions; or

(6) the abolition of the whole or any part of any agency which agency or part does not have, or upon the taking effect of the reorganization plan will not have, any functions, is necessary to accomplish one or more of the purposes of section 2 (a), he shall prepare a reorganization plan for the making of the reorganizations as to which he has made findings and which he includes in the plan, and transmit such plan (bearing an identifying number) to the Congress, together with a declaration that, with respect to each reorganization included in the plan, he has found that such reorganization is necessary to accomplish one or more of the purposes of section 2 (a). The delivery to both Houses shall be on the same day and shall be made to each House while it is in session. The President, in his message transmitting a reorganization plan, shall specify with respect to each abolition of a function included in the plan the statutory authority for the exercise of such function.

OTHER CONTENTS OF PLANS

SEC. 4. Any reorganization plan transmitted by the President under section 3—

(1) shall change, in such cases as he deems necessary, the name of any agency affected by a reorganization, and the title of its head; and shall designate the name of any agency resulting from a reorganization and the title of its head;

(2) may include provisions for the appointment and compensation of the head and one or more other officers of any agency (including an agency resulting from a consolidation or other type of reorganization) if the President finds, and in his message transmitting the plan declares, that by reason of a reorganization made by the plan such provisions are necessary. The head so provided for may be an individual or may be a commission or board with two or more members. In the case of any such appointment the term of office shall not be fixed at more than 4 years, the compensation shall not be at a rate in excess of that found by the President to prevail in respect of comparable officers in the executive branch, and, if the appointment is not under the classified civil service, it shall be by the President, by and with the advice and consent of the Senate;

(3) shall make provision for the transfer or other disposition of the records, property, and personnel affected by any reorganization;

(4) shall make provision for the transfer of such unexpended balances of appropriations, and of other funds, available for use in connection with any function or agency affected by a reorganization, as he deems necessary by reason of the reorganization for use in connection with the functions affected by the reorganization, or for the use of the agency which shall have such functions after the reorganization plan is effective, but such unexpended balances so transferred shall be used only for the purposes for which such appropriation was originally made;

(5) shall make provision for winding up the affairs of any agency abolished.

LIMITATIONS ON POWERS WITH RESPECT TO REORGANIZATIONS

SEC. 5. No reorganization plan shall provide for, and no reorganization under this act shall have the effect of—

(1) abolishing or transferring an executive department or all the functions thereof or consolidating any two or more executive departments or all the functions thereof; or

(2) continuing any agency beyond the period authorized by law for its existence or beyond the time when it would have terminated if the reorganization had not been made; or

(3) continuing any function beyond the period authorized by law for its exercise, or beyond the time when it would have terminated if the reorganization had not been made; or

(4) authorizing any agency to exercise any function which is not expressly authorized by law at the time the plan is transmitted to the Congress; or

(5) increasing the term of any office beyond that provided by law for such office; or

(6) transferring to or consolidating with any other agency the municipal government of the District of Columbia or all those functions thereof which are subject to this act, or abolishing said government or all said functions.

TAKING EFFECT OF REORGANIZATIONS

SEC. 6. (a) Except as may be otherwise provided pursuant to subsection (c) of this section, the provisions of the reorganization plan shall take effect upon the expiration of the first period of 60 calendar days, of continuous session of the Congress, following the date on which the plan is transmitted to it; but only if, between the date of transmittal and the expiration of such 60-day period there has not been passed by the two Houses a concurrent resolution stating in substance that the Congress does not favor the reorganization plan.

(b) For the purposes of subsection (a)—

(1) continuity of session shall be considered as broken only by an adjournment of the Congress sine die; but

(2) in the computation of the 60-day period there shall be excluded the days on which either House is not in session because of an adjournment of more than 3 days to a day certain; except that if a resolution (as defined in section 202) with respect to such reorganization plan has been passed by one House and sent to the other, no exclusion under this paragraph shall be made by reason of adjournments of the first House taken thereafter.

(c) Any provision of the plan may, under provisions contained in the plan, be made operative at a time later than the date on which the plan shall otherwise take effect.

DEFINITION OF "AGENCY"

SEC. 7. When used in this act, the term "agency" means any executive department, commission, council, independent establishment, Government corporation, board, bureau, division, service, office, officer, authority, administration, or other establishment, in the executive branch of the Government, and means also any and all parts of the municipal government of the District of Columbia except the courts thereof. Such term does not include the Comptroller General of the United States or the General Accounting Office, which are a part of the legislative branch of the Government.

MATTERS DEEMED TO BE REORGANIZATIONS

SEC. 8. For the purposes of this act the term "reorganization" means any transfer, consolidation, coordination, authorization, or abolition, referred to in section 3.

SAVING PROVISIONS

SEC. 9. (a) (1) Any statute enacted, and any regulation or other action made, prescribed, issued, granted, or performed in respect of or by any agency or function affected by a reorganization under the provisions of this act, before the effective date of such reorganization, shall, except to the extent rescinded, modified, superseded, or made inapplicable by or under authority of law or by the abolition of a function, have the same effect as if such reorganization had not been made; but where any such statute, regulation, or other action has vested the function in the agency from which it is removed under the plan, such function shall, insofar as it is to be exercised after the plan becomes effective, be considered as vested in

the agency under which the function is placed by the plan.

(2) As used in paragraph (1) of this subsection the term "regulation or other action" means any regulation, rule, order, policy, determination, directive, authorization, permit, privilege, requirement, designation, or other action.

(b) No suit, action, or other proceeding lawfully commenced by or against the head of any agency or other officer of the United States, in his official capacity or in relation to the discharge of his official duties, shall abate by reason of the taking effect of any reorganization plan under the provisions of this act, but the court may, on motion or supplemental petition filed at any time within 12 months after such reorganization plan takes effect, showing a necessity for a survival of such suit, action, or other proceeding to obtain a settlement of the questions involved, allow the same to be maintained by or against the successor of such head or officer under the reorganization effected by such plan or, if there be no such successor, against such agency or officer as the President shall designate.

UNEXPENDED APPROPRIATIONS

SEC. 10. The appropriations or portions of appropriations unexpended by reason of the operation of this act shall not be used for any purpose, but shall be impounded and returned to the Treasury.

PRINTING OF REORGANIZATION PLANS

SEC. 11. Each reorganization plan which shall take effect shall be printed in the Statutes at Large in the same volume as the public laws, and shall be printed in the Federal Register.

TITLE II

SEC. 201. The following sections of this title are enacted by the Congress:

(a) As an exercise of the rule-making power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in such House in the case of resolutions (as defined in sec. 202); and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(b) With full recognition of the constitutional right of either House to change such rules (so far as relating to the procedure in such House) at any time, in the same manner and to the same extent as in the case of any other rule of such House.

SEC. 202. As used in this title, the term "resolution" means only a concurrent resolution of the two Houses of Congress, the matter after the resolving clause of which is as follows: "That the Congress does not favor the reorganization plan numbered _____, 19 __, the blank spaces therein being appropriately filled; and does not include a concurrent resolution which specifies more than one reorganization plan.

SEC. 203. A resolution with respect to a reorganization plan shall be referred to a committee (and all resolutions with respect to the same plan shall be referred to the same committee) by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

SEC. 204. (a) If the committee to which has been referred a resolution with respect to a reorganization plan has not reported it before the expiration of 10 calendar days after its introduction (or, in the case of a resolution received from the other House, 10 calendar days after its receipt), it shall then (but not before) be in order to move either to discharge the committee from further consideration of such resolution, or to discharge the committee from further consideration of any other resolution with respect to such reorganization plan which has been referred to the committee.

(b) Such motion may be made only by a person favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same reorganization plan), and debate thereon shall be limited to not to exceed 1 hour, to be equally divided between those favoring and those opposing the resolution. No amendment to such motion shall be in order, and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

(c) If the motion to discharge is agreed to or disagreed to, such motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same reorganization plan.

SEC. 205. (a) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to a reorganization plan, it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of such resolution. Such motion shall be highly privileged and shall not be debatable. No amendment to such motion shall be in order and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

(b) Debate on the resolution shall be limited to not to exceed 10 hours, which shall be equally divided between those favoring and those opposing the resolution. A motion further to limit debate shall not be debatable. No amendment to, or motion to recommit, the resolution shall be in order, and it shall not be in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

SEC. 206. (a) All motions to postpone made with respect to the discharge from committee, or the consideration of, a resolution with respect to a reorganization plan, and all motions to proceed to the consideration of other business, shall be decided without debate.

(b) All appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution with respect to a reorganization plan shall be decided without debate.

SEC. 207. If, prior to the passage by one House of a resolution of that House with respect to a reorganization plan, such House receives from the other House a resolution with respect to the same plan, then—

(a) If no resolution of the first House with respect to such plan has been referred to committee, no other resolution with respect to the same plan may be reported or (despite the provisions of sec. 204 (a)) be made the subject of a motion to discharge.

(b) If a resolution of the first House with respect to such plan has been referred to committee—

(1) the procedure with respect to that or other resolutions of such House with respect to such plan which have been referred to committee shall be the same as if no resolution from the other House with respect to such plan had been received; but

(2) on any vote on final passage of a resolution of the first House with respect to such plan the resolution from the other House with respect to such plan shall be automatically substituted for the resolution of the first House.

The statement presented by Mr. McCLELLAN was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR McCLELLAN

DRAFT OF BILL ON EXECUTIVE REORGANIZATION

There is shown below a comparison between the text of the Reorganization Act of 1945 (59 Stat. 613) and the currently pro-

posed draft bill (S. 526) on executive reorganization. The black bracketed text was included in the 1945 act but is not retained in the current bill; and the italic text is included in the new bill but was not included in the 1945 act.

By Senator McCLELLAN (for himself and on behalf of Senators EASTLAND, HOEY, McCARTHY, and O'CONOR):

"A bill (S. 526) to provide for the reorganization of Government agencies, and for other purposes

"Be it enacted, etc.—

"TITLE I

"SHORT TITLE

"SECTION 1. This act may be cited as the 'Reorganization Act of [1945.] 1949.'

"NEED FOR REORGANIZATIONS

"SEC. 2. (a) The President shall examine and from time to time reexamine the organization of all agencies of the Government and shall determine what changes therein are necessary to accomplish the following purposes:

"(1) to [facilitate orderly transition from war to peace;] *promote the better execution of the laws, the more effective management of the executive branch of the Government and of its agencies and functions, and the expeditious administration of the public business;*

"(2) to reduce expenditures and promote economy to the fullest extent consistent with the efficient operation of the Government;

"(3) to increase the efficiency of the operations of the Government to the fullest extent practicable [within the revenues];

"(4) to group, coordinate, and consolidate agencies and functions of the Government, as nearly as may be, according to major purposes;

"(5) to reduce the number of agencies by consolidating those having similar functions under a single head, and to abolish such agencies or functions thereof as may not be necessary for the efficient conduct of the Government; and

"(6) to eliminate overlapping and duplication of effort.

"(b) The Congress declares that the public interest demands the carrying out of the purposes specified in subsection (a) and that such purposes may be accomplished in great measure by proceeding under the provisions of this act, and can be accomplished more speedily thereby than by the enactment of specific legislation.

"[e] It is the expectation of the Congress that the transfers, consolidations, coordinations, and abolitions under this act shall accomplish an over-all reduction of at least 25 percent in the administrative costs of the agency or agencies affected.]

"REORGANIZATION PLANS

"SEC. 3. Whenever the President, after investigation, finds that—

"(1) the transfer of the whole or any part of any agency, or of the whole or any part of the functions thereof, to the jurisdiction and control of any other agency; or

"(2) the abolition of all or any part of the functions of any agency; or

"(3) the consolidation or coordination of the whole or any part of any agency, or of the whole or any part of the functions thereof, with the whole or any part of any other agency or the functions thereof; or

"(4) the consolidation or coordination of any part of any agency or the functions thereof with any other part of the same agency or the functions thereof; or

"(5) *the authorization of any officer to delegate any of his functions; or*

"(6) the abolition of the whole or any part of any agency which agency or part does not have, or upon the taking effect of the [reorganizations specified in the] reorganization plan will not have, any functions,

is necessary to accomplish one or more of the purposes of section 2 (a), he shall prepare a reorganization plan for the making of the [transfers, consolidations, coordinations, and abolitions.] *reorganizations* as to which he has made findings and which he includes in the plan, and transmit such plan (bearing an identifying number) to the Congress, together with a declaration that, with respect to each [transfer, consolidation, coordination, or abolition referred to in paragraph (1), (2), (3), (4), or (5) of this section and specified] *reorganization included* in the plan, he has found that such [transfer, consolidation, coordination, or abolition] *reorganization* is necessary to accomplish one or more of the purposes of section 2 (a). The delivery to both Houses shall be on the same day and shall be made to each House while it is in session. The President, in his message transmitting a reorganization plan, shall specify with respect to each abolition of a function [specified] *included* in the plan the statutory authority for the exercise of such function.

"OTHER CONTENTS OF PLANS

"SEC. 4. Any reorganization plan transmitted by the President under section 3—

"(1) shall change, in such cases as he deems necessary, the name of any agency affected by a reorganization, and the title of its head; and shall designate the name of any agency resulting from a reorganization and the title of its head;

"(2) may include provisions for the appointment and compensation of the head and one or more [assistant heads] *other officers* of any agency (including an agency resulting from a consolidation or *other type of reorganization*) if the President finds, and in his message transmitting the plan declares, that by reason of [transfers, consolidations, and coordinations made by the plan, the responsibilities and duties of such head are of such nature as to require such action] *a reorganization made by the plan such provisions are necessary*. The head so provided for may be an individual or may be a commission or board with two or more members. In the case of any such appointment the term of office shall not be fixed at more than 4 years, the compensation shall not be at a rate in excess of [\$10,000 per annum.] *that found by the President to prevail in respect of comparable officers in the executive branch*, and, if the appointment is not under the classified civil service, it shall be by the President, by and with the advice and consent of the Senate;

"(3) shall make provision for the transfer or other disposition of the records, property, and personnel affected by any [transfer, consolidation, coordination, or abolition] *reorganization*;

"(4) shall make provision for the transfer of such unexpended balances of appropriations, *and of other funds*, available for use in connection with any function or agency [transferred, consolidated, or coordinated.] *affected by a reorganization*, as he deems necessary by reason of the [transfer, consolidation, or coordination] *reorganization* for use in connection with the [transferred, consolidated, or coordinated] *functions affected by the reorganization*, or for the use of the agency [to which the transfer is made,] *which shall have such functions after the reorganization plan is effective*, but such unexpended balances so transferred shall be used only for the purposes for which such appropriation was originally made;

"(5) shall make provision for winding up the affairs of any agency abolished.

"LIMITATIONS ON POWERS WITH RESPECT TO REORGANIZATIONS

"SEC. 5. [(a)] No reorganization plan shall provide for, and no reorganization under this act shall have the effect of—

"(1) abolishing or transferring an executive department or all the functions thereof or [establishing any new executive department;

or] *consolidating any two or more executive departments or all the functions thereof*; or

"[(2) changing the name of any executive department or the title of its head, or designating any agency as 'Department' or its head as 'Secretary'; or]

"[(3) (2) continuing any agency beyond the period authorized by law for its existence or beyond the time when it would have terminated if the reorganization had not been made; or

"[(4) (3) continuing any function beyond the period authorized by law for its exercise, or beyond the time when it would have terminated [if the reorganization had not been made, or beyond the time when the agency in which it was vested before the reorganization would have terminated] if the reorganization had not been made; or

"[(5) (4) authorizing any agency to exercise any function which is not expressly authorized by law at the time the plan is transmitted to the Congress; or

"[(6) imposing, in connection with the exercise of any quasi-judicial or quasi-legislative function possessed by an independent agency, any greater limitation upon the exercise of independent judgment and discretion, to the full extent authorized by law, in the carrying out of such function, than existed with respect to the exercise of such function by the agency in which it was vested prior to the taking effect of such reorganization; except that this prohibition shall not prevent the abolition of any such function; or]

"[(7) (5) increasing the term of any office beyond that provided by law for such office [.] ; or

"[(6) transferring to or consolidating with any other agency the municipal government of the District of Columbia or all those functions thereof which are subject to this Act, or abolishing said government or all said functions.

"[(b) No reorganization plan shall provide for any reorganization affecting any agency named below in this subsection; except that this prohibition shall not apply to the transfer to such agency of the whole or any part of, or the whole or any part of the functions of, any agency not so named. No reorganization contained in any reorganization plan shall take effect if the reorganization plan is in violation of this subsection. The agencies above referred to in this subsection are as follows: Interstate Commerce Commission, Federal Trade Commission, Securities and Exchange Commission, National Mediation Board, National Railroad Adjustment Board, and Railroad Retirement Board.]

"[(e) No reorganization plan shall provide for any reorganization affecting any civil function of the Corps of Engineers of the United States Army, or of its head, or affecting such Corps or its head with respect to any such civil function. No reorganization contained in any reorganization plan shall take effect if the reorganization plan is in violation of this subsection.]

"[(d) No reorganization plan shall provide for a reorganization affecting any agency named below in this subsection if it also provides for a reorganization which does not affect such agency; except that this prohibition shall not apply to the transfer to such agency of the whole or any part of, or the whole or any part of the functions of, any agency not so named. No reorganization contained in any reorganization plan shall take effect if the reorganization plan is in violation of this subsection. The agencies above referred to in this subsection are as follows: Federal Communications Commission, Federal Deposit Insurance Corporation, United States Tariff Commission, and Veterans' Administration.]

"[(e) If, since January 1, 1945, Congress has by law established the status of any agency in relation to other agencies or trans-

ferred any function to any agency, no reorganization plan shall provide for, and no reorganization under this act shall have the effect of, changing the status of such agency in relation to other agencies or of abolishing any such transferred function or providing for its exercise by or under the supervision of any other agency.]

"[(f) No reorganization specified in a reorganization plan shall take effect unless the plan is transmitted to the Congress before April 1, 1948.]

"TAKING EFFECT OF REORGANIZATIONS

"SEC. 6. (a) [The reorganizations specified in the plan shall take effect in accordance with the plan] *Except as may be otherwise provided pursuant to subsection (c) of this section, the provisions of the reorganization plan shall take effect* upon the expiration of the first period of 60 calendar days, of continuous session of the Congress, following the date on which the plan is transmitted to it; but only if, between the date of transmittal and the expiration of such 60-day period there has not been passed by the two Houses a concurrent resolution stating in substance that the Congress does not favor the reorganization plan.

"(b) For the purposes of subsection (a)—
"(1) continuity of sessions shall be considered as broken only by an adjournment of the Congress sine die; but

"(2) in the computation of the 60-day period there shall be excluded the days on which either House is not in session because of an adjournment of more than 3 days to a day certain; except that if a resolution (as defined in section 202) with respect to such reorganization plan has been passed by one House and sent to the other, no exclusion under this paragraph shall be made by reason of adjournments of the first House taken thereafter.

"(c) Any provision of the plan may, under provisions contained in the plan, be made operative at a time later than the date on which the plan shall otherwise take effect.

"DEFINITION OF 'AGENCY'

"SEC. 7. When used in this act, the term 'agency' means any executive department, commission, council, independent establishment, Government corporation [wholly or partly owned by the United States which is an instrumentality of the United States], board, bureau, division, service, office, officer, authority, administration, or other establishment, in the executive branch of the Government [.] *and means also any and all parts of the municipal government of the District of Columbia except the courts thereof*. Such term does not include the Comptroller General of the United States or the General Accounting Office, which are a part of the legislative branch of the Government.

"MATTERS DEEMED TO BE REORGANIZATIONS

"SEC. 8. For the purposes of this act the term "reorganization" means any transfer, consolidation, coordination, [abolition, change, or designation of name or title, disposition, winding up of affairs, or provision for the appointment and compensation of the head or assistant heads of an agency,] *authorization, or abolition*, referred to in section 3. [or 4, shall be deemed a "reorganization".]

"SAVING PROVISIONS

"SEC. 9. (a) (1) Any statute enacted, and any regulation or other action made, prescribed, issued, granted, or performed in respect of, or by any agency or function [transferred to, or consolidated or coordinated with, any other agency or function] *affected by a reorganization* under the provisions of this act, before the effective date of such [transfer, consolidation, or coordination,] *reorganization*, shall, except to the extent rescinded, modified, superseded, or made inapplicable by or under authority of law or by the abolition

of a function, have the same effect as if such [transfer, consolidation, or coordination] reorganization had not been made; but where any such statute, regulation, or other action has vested [functions] the function in the agency from which [the transfer is made] it is removed under the plan, such [functions] function shall, insofar as [they are] it is to be exercised after the [transfer,] plan becomes effective, be considered as vested in the agency [to which the transfer is made under the plan.] under which the function is placed by the plan.

"(2) As used in paragraph (1) of this subsection the term "regulation or other action" means any regulation, rule, order, policy, determination, directive, authorization, permit, privilege, requirement, designation, or other action.

"(b) No suit, action, or other proceeding lawfully commenced by or against the head of any agency or other officer of the United States, in his official capacity or in relation to the discharge of his official duties, shall abate by reason of the taking effect of any reorganization plan under the provisions of this act, but the court may, on motion or supplemental petition filed at any time within 12 months after such reorganization plan takes effect, showing a necessity for a survival of such suit, action, or other proceeding to obtain a settlement of the questions involved, allow the same to be maintained by or against the successor of such head or officer under the reorganization [so] effected by such plan or, if there be no such successor, against such agency or officer as the President shall designate.

"UNEXPENDED APPROPRIATIONS

"SEC. 10. The appropriations or portions of appropriations unexpended by reason of the operation of this act shall not be used for any purpose, but shall be impounded and returned to the Treasury.

"PRINTING OF REORGANIZATION PLANS

"SEC. 11. [If the reorganizations specified in a] Each reorganization plan which shall take effect [the reorganization plan] shall be printed in the Statutes at Large in the same volume as the public laws, and shall be printed in the Federal Register.

"TITLE II

NOTE.—The text of title II of the currently proposed bill is the same as the text of title II of the Reorganization Act of 1945, approved December 20, 1945, 59 Stat. 613. That title prescribes the procedure by which the two Houses of Congress consider and dispose of reorganization plans.

PROMOTION OF MAXIMUM EMPLOYMENT

Mr. BARKLEY. Mr. President, I send to the desk a bill which I and a number of other Senators introduced in the last Congress. It was then Senate bill 1652. The bill is to promote maximum employment, business opportunities, and careers in a free-enterprise country. It has particular reference to the welfare of veterans. I shall not read the names of Senators whose names appear on the bill as sponsors. The names of some Senators who were on the bill in the last Congress also appear on the present bill as sponsors. There are quite a number of sponsors of the present bill who were Members of the last Senate. In addition the names of the Senator from South Carolina [Mr. MAYBANK], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from New Hampshire [Mr. BRIDGES] appear on the bill. On behalf of myself and the other Senators who are sponsors of it, I introduce the bill and ask for its appropriate reference.

The bill (S. 529) to promote maximum employment, business opportunities, and careers in a free competitive economy, introduced by Mr. BARKLEY (for himself, Mr. BRIDGES, Mr. MAYBANK, Mr. JOHNSON of Colorado, Mr. KEFAUVER, Mr. BUTLER, Mr. CAIN, Mr. CAPEHART, Mr. EASTLAND, Mr. FULBRIGHT, Mr. HILL, Mr. JENNER, Mr. McGRATH, Mr. KNOWLAND, Mr. MARTIN, Mr. MORSE, Mr. FLANDERS, Mr. FERGUSON, and Mr. GREEN was read twice by its title, and referred to the Committee on Finance.

SUPPORT PRICE OF MILK

Mr. WILEY. Mr. President, I introduce a bill to direct the Secretary of Agriculture to support the price of milk at not less than 90 percent of parity as the law provides, and I ask that it be appropriately referred. The bill covers all milk, regardless of ultimate use.

The bill (S. 538) to direct the Secretary of Agriculture to support the price of milk at not less than 90 percent of parity, introduced by Mr. WILEY, was read twice by its title, and referred to the Committee on Agriculture and Forestry.

Mr. WILEY. Mr. President, I should like to make a brief statement as to why I am introducing this bill, which, incidentally, is a companion measure to a bill already introduced in the House of Representatives (H. R. 1332) by my able colleague from Wisconsin, Representative REID F. MURRAY.

The PRESIDENT pro tempore. Without objection, the Senator may proceed.

DECLINE OF MILK PRICES

Mr. WILEY. Mr. President, as everyone who has been following the farm situation knows milk prices have been gradually falling, and the health of the dairy segment of our economy is in jeopardy. When the agricultural section of our economy becomes impaired, the whole economy feels the impact and is impaired. It is just common sense that we begin to think of our own a little bit, as well as responding to our obligations in relation to our neighbors in foreign lands. We have heard a lot of discussion lately in relation to making sure that we do not go into an economic tailspin. The sort of measure which I am introducing today, if it became law, would stop the tailspinning of a very important section of our economy. While my own State is 50-percent agricultural, the production of milk is the main element in its agricultural program.

But the subject of this bill is not a partisan matter, or just a State-wide or regional matter. It is a subject that calls for earnest consideration by every thinking legislator. Most of the 170,000 dairy farms in my State are relatively small in size. As a consequence, they have not gotten the benefits of a large-scale production as have the growers of wheat, for example, as has been true of the big farms in some other States.

The dairy farmer's income has been increasingly limited, and his lot has been helped only where he has been fortunate enough to have a large family to help him meet the problems of the labor shortage and the high costs of labor. But

with the high costs of feed and fertilizer, the high costs of machinery, and other supplies, his net income has been relatively low. Throughout the war years, by working extended hours, he and his wife and children have been able to make a go of it, to purchase high-priced machinery in many instances.

I may say, Mr. President, that when I left Wisconsin last fall I paid \$2,600 for a tractor, with a little addition, which in 1939 could have been bought for \$900. That is a slight indication of what is happening.

I may divert from my prepared remarks for a moment to say that, in relation to the general price of milk in Wisconsin, the farmer is getting about 7 cents a quart, but, of course, the consumer is paying anywhere from 19 to 21 cents for the same milk. The people of the United States were sold a bill of goods in the last campaign, particularly when a certain group tried to make out that the farmer was getting the big end of the deal. The very milk which is produced and sold at a little over 7 cents a quart, in less than 2 or 3 hours reaches the housewife, and the price then is from 19 to 21 cents a quart.

During the war years, about which I have been speaking, we have seen a depletion in the soil on the farm and a depreciation in the farmers' houses and barns and sheds. They have deteriorated because the farmers have not been able to keep them up, first, because it was not possible to get the labor necessary; second, the farmer could not get the material; and, third, he did not have the time to do the necessary work. So, if farming is to continue, the farmer must have sufficient income to meet the costs entailed in rebuilding his soil and repairing his home. Otherwise there will be a continued exodus from the farms, with the result which may be expected.

As I have said, in my own State 50 percent of the income of the commonwealth depends upon agriculture. The economic life of the villages and cities depends upon the purchasing power of the farmers, and if we permit the condition of the farms to deteriorate, we will reap the whirlwind.

DANGERS OF DROP IN FARM INCOME

If aid cannot be given the farmers, it will be found that the milk-cow herds will gradually be reduced further in numbers, and with that reduction will come also further depletion in the soil and further depletion of the beef supply of the Nation. It is not generally known that a large portion of the meat supply of this country comes from these very dairy farms. More than 40 percent of that supply comes from that source. We think of it as coming from the plains of the West, but more than 40 percent comes from these very dairy cows.

Mr. President, let us remember that the dairy industry is the largest single source of farm income. This very industry, the dairy industry, supplies approximately 40 percent of our beef and veal, as well as all our milk. The dairy farmers of America have indicated in no uncertain terms that they are not going

to stand idly by and allow their prices to go through the floor, or see the days brought back when they had to dump milk from trucks onto the road because they could not get a fair price for the so-called surplus milk they were producing.

Not only the farmers, but the businessmen, tradesmen, professional men, and bankers in villages and in the cities of the States where milk is produced, are clearly concerned over this situation. A threat to the farmer's income is a threat to everyone's income, because he is the greatest buyer and purchaser of the things labor produces. It is imperative, Mr. President, that we do not allow the whittling away of the farmers' income.

The farmer asks no more than the cost of production plus a reasonable profit. He asks no more than fair prices in return for his back-breaking toil. He is entitled to fair prices, and this bill will help assure such prices for him.

I ask unanimous consent that following my remarks a short article from a Wisconsin newspaper, entitled "The Milk Market," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE MILK MARKET

The Wisconsin milk market is wavering uncertainly, and farmers and their leaders are angrily worried about it. Last July the average price paid Wisconsin producers for milk going into all uses was \$4.43 per hundredweight. In December the price had declined to \$3.65. Farmers wondered about the future market, as they studied their production plans and problems for the new year.

From the Pure Milk Products Cooperative, one of the State's largest and most enterprising, came a resentful blast about the price trend. Said W. O. Perdue, of Fond du Lac, cooperative manager: "There is no sound reason for today's low price paid to farmers for manufactured milk. Consumer demands remain firm. National income is still at a record high. * * * It leads us to believe there has been a great harvest for the speculator—at the expense of the farmer."

The cooperative and its members produce largely for the evaporated milk market, which has been shaky of late. Perdue said the cooperative would renew its efforts to obtain a Federal evaporated milk market order under which the producers would have a part in establishing prices.

UNITED STATES FLAG SHIPPING PARTICIPATION IN GOVERNMENT-FINANCED CARGOES

Mr. O'CONOR. Mr. President, I introduce for appropriate reference a bill to provide for a United States flag shipping participation in Government-financed cargoes, and I ask unanimous consent that a statement by me explaining the bill may be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred, and, without objection, the statement presented by the Senator from Maryland will be printed in the RECORD.

The bill (S. 543) to provide for United States flag shipping participation in Government-financed cargoes, introduced by Mr. O'CONOR, was read twice by its title, and referred to the Commit-

tee on Interstate and Foreign Commerce.

The statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR O'CONOR RE INTRODUCTION OF LEGISLATION PROVIDING FOR UNITED STATES FLAG SHIPPING PARTICIPATION IN GOVERNMENT-FINANCED CARGOES

Recently the Administrator for ECA, Mr. Paul G. Hoffman, announced his intention no longer to require that 50 percent of the ECA bulk cargoes be carried on United States flag ships unless such ships are available at competitive rates. I believe that under existing circumstances this action is ill-advised.

The American people are making tremendous sacrifices to supply aid to the countries of western Europe whose economy has been disrupted by the ravages of war. It is essential, of course, that the great sums of money appropriated for this purpose be handled in accordance with good business practices. And unquestionably the Administrator is acting in conformance with the Economic Cooperation Act of 1948, which provides that he shall assure, so far as is practicable, that at least 50 percent of the gross tonnage of commodities purchased within the United States out of ECA funds shall be transported on United States flag vessels to the extent such vessels are available at market rates.

While understanding the reasons prompting the Administrator's position, we must not forget that there is even more urgency in the protests that have been raised against ECA's contemplated reduction in shipping in American bottoms. It is of the greatest importance to our country that the American merchant marine be maintained on a level necessary for the conduct of America's business throughout the world. We cannot, in reason, provide funds that will be used to build up the merchant marine of other nations, while American shipping, on which the lifeblood of our country's economy is dependent, is allowed to remain idle.

The argument that it is good business to penalize American shipping because costs are somewhat higher would, if carried out to its logical conclusion, necessitate the passing over of countless American products, because they might be available at lower prices in other countries, where the standard of living is tremendously lower than here, and where costs of production are less.

In a bill which I have introduced in the Senate it is provided that products purchased by the Government or any agency of the Government or through funds or credits allocated for this purpose, if transported by water, shall be transported on United States flag vessels, at market rates for United States flag vessels, to at least 50 percent of the gross tonnage of such commodities, computed by countries, and separately for dry bulk carriers, dry cargo liner, and tanker services.

The bill further stipulates that this minimum of 50 percent of gross tonnage must be maintained unless the United States Maritime Commission, after investigation, shall certify that United States flag vessels are not available in sufficient numbers or at market rates for United States flag vessels to effectuate the purpose of the act.

It further directs all departments and agencies to cooperate with the Commission through their agreements covering transportation of purchases and requires the Commission to report to the Congress within 90 days after the enactment of the act and every 4 months thereafter the record of shipping covered by this legislation.

HEARINGS BY COMMITTEE ON BANKING AND CURRENCY

Mr. MAYBANK submitted the following resolution (S. Res. 33), which was re-

ferred to the Committee on Banking and Currency:

Resolved, That in holding hearings, reporting such hearings, and making investigations as authorized by section 134 of the Legislative Reorganization Act of 1946, the Committee on Banking and Currency, or any duly authorized subcommittee thereof, is authorized during the Eighty-first Congress to make such expenditures, and to employ upon a temporary basis such investigators, and such technical, clerical, and other assistants, as it deems advisable.

Sec. 2. The expenses of the committee under this resolution, which shall not exceed \$50,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

Sec. 3. Upon the termination of the special committee, authorized pursuant to Senate Resolution 20, Eightieth Congress, to study the problems of American small business enterprises, the files and records of such committee shall be transferred to the Committee on Banking and Currency.

NOTICE OF HEARING ON NOMINATION OF HON. F. RYAN DUFFY, TO BE CIRCUIT JUDGE, UNITED STATES COURT OF APPEALS, SEVENTH CIRCUIT

Mr. McCARRAN. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Tuesday, January 25, 1949, at 11 a. m., in room 424, Senate Office Building, upon the nomination of Hon. F. Ryan Duffy, of Wisconsin, to be circuit judge of the United States Court of Appeals for the Seventh Circuit, vice Hon. Evan A. Evans, deceased. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr. McCARRAN] chairman, the Senator from Idaho [Mr. MILLER], and the Senator from Wisconsin [Mr. WILEY].

NOTICE OF HEARING ON NOMINATION OF HON. WILSON WARLICK, TO BE UNITED STATES DISTRICT JUDGE, WESTERN DISTRICT OF NORTH CAROLINA

Mr. McCARRAN. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Tuesday, January 25, 1949, at 11 a. m., in room 424, Senate Office Building, upon the nomination of Hon. Wilson Warlick, of North Carolina, to be United States district judge for the western district of North Carolina, vice Hon. Edwin Y. Webb, retired. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr. McCARRAN], chairman, the Senator from North Carolina [Mr. BROUGHTON], and the Senator from Michigan [Mr. FERGUSON].

NOTICE OF HEARING ON NOMINATION OF HON. EDWARD ALLEN TAMM, TO BE UNITED STATES DISTRICT JUDGE FOR THE DISTRICT OF COLUMBIA

Mr. McCARRAN. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules

H. R. 2361

FEBRUARY 7, 1949

A BILL

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

SHORT TITLE

NEED FOR REORGANIZATIONS

8 SEC. 2. (a) The President shall examine and from time
9 to time reexamine the organization of all agencies of the
10 Government and shall determine what changes therein are
11 necessary to accomplish the following purposes:

1 (1) to promote the better execution of the laws,
2 the more effective management of the executive branch
3 of the Government and of its agencies and functions,
4 and the expeditious administration of the public business;

5 (2) to reduce expenditures and promote economy,
6 to the fullest extent consistent with the efficient opera-
7 tion of the Government;

8 (3) to increase the efficiency of the operations of
9 the Government to the fullest extent practicable;

10 (4) to group, coordinate, and consolidate agencies
11 and functions of the Government, as nearly as may be,
12 according to major purposes;

13 (5) to reduce the number of agencies by con-
14 solidating those having similar functions under a single
15 head, and to abolish such agencies or functions thereof
16 as may not be necessary for the efficient conduct of
17 the Government; and

18 (6) to eliminate overlapping and duplication of
19 effort.

20 (b) The Congress declares that the public interest
21 demands the carrying out of the purposes specified in sub-
22 section (a) and that such purposes may be accomplished in
23 great measure by proceeding under the provisions of this
24 Act, and can be accomplished more speedily thereby than
25 by the enactment of specific legislation.

REORGANIZATION PLANS

SEC. 3. Whenever the President, after investigation, finds that—

(1) the transfer of the whole or any part of any agency, or of the whole or any part of the functions thereof, to the jurisdiction and control of any other agency; or

(2) the abolition of all or any part of the functions of any agency; or

(3) the consolidation or coordination of the whole or any part of any agency, or of the whole or any part of the functions thereof, with the whole or any part of any other agency or the functions thereof; or

(4) the consolidation or coordination of any part of any agency or the functions thereof with any other part of the same agency or the functions thereof; or

(5) the authorization of any officer to delegate any of his functions; or

(6) the abolition of the whole or any part of any agency which agency or part does not have, or upon the taking effect of the reorganization plan will not have, any functions,

is necessary to accomplish one or more of the purposes of section 2 (a), he shall prepare a reorganization plan for the making of the reorganizations as to which he has made find-

1 ings and which he includes in the plan, and transmit such,
2 plan (bearing an identifying number) to the Congress, to-
3 gether with a declaration that, with respect to each reorgani-
4 zation included in the plan, he has found that such reorgani-
5 zation is necessary to accomplish one or more of the purposes
6 of section 2 (a). The delivery to both Houses shall be on
7 the same day and shall be made to each House while it is in
8 session. The President, in his message transmitting a re-
9 organization plan, shall specify with respect to each abolition
10 of a function included in the plan the statutory authority for
11 the exercise of such function.

12 OTHER CONTENTS OF PLANS

13 SEC. 4. Any reorganization plan transmitted by the
14 President under section 3—

15 (1) shall change, in such cases as he deems neces-
16 sary, the name of any agency affected by a reorganiza-
17 tion, and the title of its head; and shall designate the
18 name of any agency resulting from a reorganization
19 and the title of its head;

20 (2) may include provisions for the appointment
21 and compensation of the head and one or more other
22 officers of any agency (including an agency resulting
23 from a consolidation or other type of reorganization) if
24 the President finds, and in his message transmitting the
25 plan declares, that by reason of a reorganization made

1 by the plan such provisions are necessary. The head so
2 provided for may be an individual or may be a com-
3 mission or board with two or more members. In the
4 case of any such appointment the term of office shall
5 not be fixed at more than four years, the compensa-
6 tion shall not be at a rate in excess of that found
7 by the President to prevail in respect of comparable
8 officers in the executive branch, and, if the appointment
9 is not under the classified civil service, it shall be by
10 the President, by and with the advice and consent of
11 the Senate;

12 (3) shall make provision for the transfer or other
13 disposition of the records, property, and personnel
14 affected by any reorganization;

15 (4) shall make provision for the transfer of such
16 unexpended balances of appropriations, and of other
17 funds, available for use in connection with any function
18 or agency affected by a reorganization, as he deems
19 necessary by reason of the reorganization for use in con-
20 nection with the functions affected by the reorganization,
21 or for the use of the agency which shall have such func-
22 tions after the reorganization plan is effective, but such
23 unexpended balances so transferred shall be used only
24 for the purposes for which such appropriation was
25 originally made;

1 (5) shall make provision for winding up the af-
2 fairs of any agency abolished.

3 LIMITATIONS ON POWERS WITH RESPECT TO
4 REORGANIZATIONS

5 SEC. 5. (a) No reorganization plan shall provide for,
6 and no reorganization under this Act shall have the effect
7 of—

8 (1) abolishing or transferring an executive depart-
9 ment or all the functions thereof, establishing any new
10 executive department, designating any agency as “De-
11 partment” or its head as “Secretary”, or consolidating
12 any two or more executive departments or all the func-
13 tions thereof; or

14 (2) continuing any agency beyond the period au-
15 thorized by law for its existence or beyond the time
16 when it would have terminated if the reorganization
17 had not been made; or

18 (3) continuing any function beyond the period
19 authorized by law for its exercise, or beyond the time
20 when it would have terminated if the reorganization had
21 not been made; or

22 (4) authorizing any agency to exercise any func-
23 tion which is not expressly authorized by law at the time
24 the plan is transmitted to the Congress; or

1 (5) increasing the term of any office beyond that
2 provided by law for such office; or

3 (6) transferring to or consolidating with any other
4 agency the municipal government of the District of
5 Columbia or all those functions thereof which are sub-
6 ject to this Act, or abolishing said government or all
7 said functions.

8 (b) A reorganization plan providing for a reorganiza-
9 tion affecting any agency named below in this subsection
10 may not provide also for a reorganization which does not
11 affect such agency; except that this prohibition shall not
12 apply to the transfer to such agency of the whole or any
13 part of, or the whole or any part of the functions of, any
14 agency not so named. No provision contained in a reorgani-
15 zation plan shall take effect if the reorganization plan is in
16 violation of this subsection. The agencies above referred to
17 in this subsection are as follows: National Military Estab-
18 lishment, Board of Governors of the Federal Reserve System,
19 Interstate Commerce Commission, and Securities and Ex-
20 change Commission.

21 TAKING EFFECT OF REORGANIZATIONS

22 SEC. 6. (a) Except as may be otherwise provided pur-
23 suant to subsection (c) of this section, the provisions of the
24 reorganization plan shall take effect upon the expiration of

1 the first period of sixty calendar days, of continuous session
2 of the Congress, following the date on which the plan is
3 transmitted to it; but only if, between the date of trans-
4 mittal and the expiration of such sixty-day period there has
5 not been passed by the two Houses a concurrent resolution
6 stating in substance that the Congress does not favor the
7 reorganization plan.

8 (b) For the purposes of subsection (a) —

9 (1) continuity of session shall be considered as
10 broken only by an adjournment of the Congress sine die;
11 but

12 (2) in the computation of the sixty-day period there
13 shall be excluded the days on which either House is
14 not in session because of an adjournment of more than
15 three days to a day certain; except that if a resolution
16 (as defined in section 202) with respect to such reorgani-
17 zation plan has been passed by one House and sent
18 to the other, no exclusion under this paragraph shall
19 be made by reason of adjournments of the first House
20 taken thereafter.

21 (c) Any provision of the plan may, under provisions
22 contained in the plan, be made operative at a time later than
23 the date on which the plan shall otherwise take effect.

24 DEFINITION OF “AGENCY”

25 SEC. 7. When used in this Act, the term “agency”

1 means any executive department, commission, council, in-
2 dependent establishment, Government corporation, board,
3 bureau, division, service, office, officer, authority, adminis-
4 tration or other establishment, in the executive branch of
5 the Government, and means also any and all parts of the
6 municipal government of the District of Columbia except the
7 courts thereof. Such term does not include the Comptroller
8 General of the United States or the General Accounting
9 Office, which are a part of the legislative branch of the
10 Government.

11 MATTERS DEEMED TO BE REORGANIZATIONS

12 SEC. 8. For the purposes of this Act the term "reor-
13 ganization" means any transfer, consolidation, coordination,
14 authorization, or abolition, referred to in section 3.

15 SAVING PROVISIONS

16 SEC. 9. (a) (1) Any statute enacted, and any regula-
17 tion or other action made, prescribed, issued, granted, or
18 performed in respect of or by any agency or function af-
19 fected by a reorganization under the provisions of this Act,
20 before the effective date of such reorganization, shall, except
21 to the extent rescinded, modified, superseded, or made in-
22 applicable by or under authority of law or by the abolition
23 of a function, have the same effect as if such reorganization
24 had not been made; but where any such statute, regulation,
25 or other action has vested the function in the agency from

1 which it is removed under the plan, such function shall, in-
2 sofar as it is to be exercised after the plan becomes effective,
3 be considered as vested in the agency under which the
4 function is placed by the plan.

5 (2) As used in paragraph (1) of this subsection the
6 term "regulation or other action" means any regulation, rule,
7 order, policy, determination, directive, authorization, permit,
8 privilege, requirement, designation, or other action.

9 (b) No suit, action, or other proceeding lawfully com-
10 menced by or against the head of any agency or other officer
11 of the United States, in his official capacity or in relation to
12 the discharge of his official duties, shall abate by reason of the
13 taking effect of any reorganization plan under the provisions
14 of this Act, but the court may, on motion or supplemental
15 petition filed at any time within twelve months after such
16 reorganization plan takes effect, showing a necessity for a
17 survival of such suit, action, or other proceeding to obtain a
18 settlement of the questions involved, allow the same to be
19 maintained by or against the successor of such head or officer
20 under the reorganization effected by such plan or, if there
21 be no such successor, against such agency or officer as the
22 President shall designate.

23 UNEXPENDED APPROPRIATIONS

24 SEC. 10. The appropriations or portions of appropria-
25 tions unexpended by reason of the operation of this Act shall

1 not be used for any purpose, but shall be impounded and
2 returned to the Treasury.

3 PRINTING OF REORGANIZATION PLANS

4 SEC. 11. Each reorganization plan which shall take
5 effect shall be printed in the Statutes at Large in the same
6 volume as the public laws, and shall be printed in the Federal
7 Register.

8 TITLE II

9 SEC. 201. The following sections of this title are enacted
10 by the Congress:

11 (a) As an exercise of the rule-making power of the
12 Senate and the House of Representatives, respectively, and
13 as such they shall be considered as part of the rules of each
14 House, respectively, but applicable only with respect to the
15 procedure to be followed in such House in the case of reso-
16 lutions (as defined in section 202) ; and such rules shall
17 supersede other rules only to the extent that they are incon-
18 sistent therewith; and

19 (b) With full recognition of the constitutional right of
20 either House to change such rules (so far as relating to the
21 procedure in such House) at any time, in the same manner
22 and to the same extent as in the case of any other rule of
23 such House.

24 SEC. 202. As used in this title, the term "resolution"
25 means only a concurrent resolution of the two Houses of

1 Congress, the matter after the resolving clause of which is as
2 follows: "That the Congress does not favor the reorganiza-
3 tion plan numbered ——— transmitted to Congress by the
4 President on ———, 19—.", the blank spaces therein
5 being appropriately filled; and does not include a concurrent
6 resolution which specifies more than one reorganization plan.

7 SEC. 203. A resolution with respect to a reorganization
8 plan shall be referred to a committee (and all resolutions
9 with respect to the same plan shall be referred to the same
10 committee) by the President of the Senate or the Speaker
11 of the House of Representatives, as the case may be.

12 SEC. 204. (a) If the committee to which has been
13 referred a resolution with respect to a reorganization plan
14 has not reported it before the expiration of ten calendar
15 days after its introduction (or, in the case of a resolution
16 received from the other House, ten calendar days after its
17 receipt), it shall then (but not before) be in order to move
18 either to discharge the committee from further considera-
19 tion of such resolution, or to discharge the committee from
20 further consideration of any other resolution with respect
21 to such reorganization plan which has been referred to the
22 committee.

23 (b) Such motion may be made only by a person favor-
24 ing the resolution, shall be highly privileged (except that
25 it may not be made after the committee has reported a

1 resolution with respect to the same reorganization plan),
2 and debate thereon shall be limited to not to exceed one
3 hour, to be equally divided between those favoring and those
4 opposing the resolution. No amendment to such motion
5 shall be in order, and it shall not be in order to move to
6 reconsider the vote by which such motion is agreed to or
7 disagreed to.

8 (c) If the motion to discharge is agreed to or disagreed
9 to, such motion may not be renewed, nor may another motion
10 to discharge the committee be made with respect to any
11 other resolution with respect to the same reorganization plan.

12 SEC. 205. (a) When the committee has reported, or has
13 been discharged from further consideration of, a resolution
14 with respect to a reorganization plan, it shall at any time
15 thereafter be in order (even though a previous motion to the
16 same effect has been disagreed to) to move to proceed to
17 the consideration of such resolution. Such motion shall be
18 highly privileged and shall not be debatable. No amend-
19 ment to such motion shall be in order and it shall not be
20 in order to move to reconsider the vote by which such mo-
21 tion is agreed to or disagreed to.

22 (b) Debate on the resolution shall be limited to not
23 to exceed ten hours, which shall be equally divided between
24 those favoring and those opposing the resolution. A motion
25 further to limit debate shall not be debatable. No amend-

1 ment to, or motion to recommit, the resolution shall be in
2 order, and it shall not be in order to move to reconsider
3 the vote by which the resolution is agreed to or disagreed to.

4 SEC. 206. (a) All motions to postpone, made with re-
5 spect to the discharge from committee, or the considera-
6 tion of, a resolution with respect to a reorganization plan, and
7 all motions to proceed to the consideration of other business,
8 shall be decided without debate.

9 (b) All appeals from the decisions of the Chair relating
10 to the application of the rules of the Senate or the House
11 of Representatives, as the case may be, to the procedure
12 relating to a resolution with respect to a reorganization plan
13 shall be decided without debate.

14 SEC. 207. If, prior to the passage by one House of a
15 resolution of that House with respect to a reorganization
16 plan, such House receives from the other House a resolution
17 with respect to the same plan, then—

18 (a) If no resolution of the first House with respect to
19 such plan has been referred to committee, no other resolution
20 with respect to the same plan may be reported or (despite
21 the provisions of section 204 (a)) be made the subject of
22 a motion to discharge.

23 (b) If a resolution of the first House with respect to
24 such plan has been referred to committee—

25 (1) the procedure with respect to that or other

1 resolutions of such House with respect to such plan
2 which have been referred to committee shall be the
3 same as if no resolution from the other House with
4 respect to such plan had been received; but

5 (2) on any vote on final passage of a resolution
6 of the first House with respect to such plan the resolu-
7 tion from the other House with respect to such plan
8 shall be automatically substituted for the resolution of
9 the first House.

81ST CONGRESS
1ST Session

H. R. 2361

A BILL

To provide for the reorganization of Government agencies, and for other purposes.

By Mr. DAWSON

FEBRUARY 7, 1949

Referred to the Committee on Expenditures in the
Executive Departments

REORGANIZATION ACT OF 1949

FEBRUARY 7, 1949.—Committed to the Committee the of Whole House on the State of the Union and ordered to be printed

Mr. DAWSON, from the Committee on Expenditures in the Executive Departments, submitted the following

REPORT

[To accompany H. R. 2361]

The Committee on Expenditures in the Executive Departments, to whom was referred the bill (H. R. 2361) to provide for the reorganization of Government agencies, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

GENERAL STATEMENT

The present bill is generally similar to two prior enactments on this subject, namely, the Reorganization Acts of 1939 and 1945. It contemplates, with a view toward the reorganization of executive agencies, the submission of reorganization plans to the Congress by the President, each of which will become effective after 60 days of subsequent continuous session of the Congress (computed as provided in sec. 6) unless a concurrent resolution expressing disapproval of the plan be passed prior to the end of the 60-day period. Special provision is made, in title II, for facilitating the bringing to a vote of any such resolution of disapproval.

Need for reorganization legislation

On January 17, 1949, the Congress received the following message from the President of the United States:

To the Congress of the United States:

In my recent messages to the Congress I have presented the program which I believe this Government should follow in the months ahead. The magnitude and importance of that program, both at home and abroad, require able leadership

and sound management. The Government must have the most effective administrative machinery to carry out its vast responsibilities.

The Congress has recognized these needs by the establishment of the Commission on the Organization of the Executive Branch of the Government. The recommendations of the Commission, which are soon to be reported to the Congress, may be expected to contribute significantly to our ability to meet the problem before us. To carry out those recommendations and to accomplish other improvements in the Government's complex operations will, however, require further and more detailed steps. Improving the management of the public's business calls for continuing efforts by the Congress, the President, and all agencies of the Government.

Throughout my administration I have taken action to effect improvements in the organization and operation of the Government. In 1945 I asked the Congress to enact legislation authorizing permanent changes in administrative structure by the reorganization-plan procedure. Under the authority granted by the Reorganization Act of 1945, numerous reorganizations were made which contributed to the efficiency of the Government and its transition from war to peace. The establishment of the permanent Housing and Home Finance Agency was an outstanding example of the improvements thus achieved. I also recommended, and the Congress enacted, a major improvement in the organization of our armed forces by the creation of the National Military Establishment. On matters not requiring legislation I have made program adjustments designed to increase the effectiveness of governmental operations.

It is my firm intention to continue to require, throughout the executive branch, the highest degree of attention to this need for improved management. I expect each department and agency head to consider this a major part of his responsibility. It is essential that they be given the tools for effective management of their agencies. Further, I believe that every official and employee of the Government should feel a personal responsibility for improving the way in which his work is performed.

Increased efficiency and economy in the Government's far-flung activities can be realized only if certain essentials of organization and operation are satisfied. These essentials are not confined to government. They have proven their effectiveness in the successful operation of large-scale enterprise, both public and private. They are matters on which it is easy to agree in principle but which are often violated in practice.

There must be, first of all, a clear definition of the objectives of public programs. Second, organizational arrangements must be established which are consistent with those objectives and designed to produce responsible and effective administration. Third, qualified personnel must be obtained to administer the programs. Fourth, the methods by which operations are conducted must be constantly reviewed and improved. Fifth, there must be provision for thoroughgoing review and evaluation of operations, by the President and the Congress, to assure that the objectives are being attained. These conditions can be achieved only through teamwork by the President and the Congress in carrying out their respective responsibilities under the Constitution for conducting the affairs of government.

I have already recommended to the Congress two measures which will help us obtain better government. The enactment of legislation to increase the compensation of the heads and assistant heads of departments and agencies and to revise the Classification Act will greatly assist the Government in securing and holding the services of the best-qualified men and women. The appropriation to the President of a special fund of \$1,000,000 for management improvement will yield major contributions to the better operation of the Government. It will be used in part for the development and installation of recommendations coming from the Commission on Organization of the Executive Branch and, in part, for the preliminary expenses incident to the appraisal and trial of other suggested improvements. This fund will in no sense be a substitute for the present day-to-day efforts by all Government agencies to improve the conduct of their operations.

In addition to these steps, I am now recommending that the Congress enact legislation to restore permanently the reorganization procedure temporarily provided by the Reorganization Acts of 1939 and 1945. This procedure is the method of executive-legislative cooperation whereby a reorganization plan submitted to the Congress by the President becomes effective in 60 days unless rejected by both Houses of the Congress.

In a letter to the President of the Senate and the Speaker of the House of Representatives, the Commission on the Organization of the Executive Branch of the Government has pointed out the need for such a method of reorganization in dealing with many of the changes which it will recommend. I fully agree

with the Commission on the necessity of reviving the reorganization-plan procedure, which became inoperative on April 1, 1948.

In recommending the enactment of a new reorganization measure, I wish to emphasize three things:

First, the reorganization legislation should be permanent rather than temporary. While the work of the Commission on the Organization of the Executive Branch of the Government makes such legislation especially timely and essential, the improvement of the organization of the Government is a continuing and never-ending process. Government is a dynamic institution. Its administrative structure cannot be static. As new programs are established and old programs change in character and scope to meet the needs of the Nation, the organization of the executive branch must be adjusted to fit its changing tasks.

The impracticability of solving many problems of organization by the regular legislative process has been frankly recognized for many years by congressional leaders. In many cases, changes which are essential cannot attract the necessary legislative attention in competition with the many other matters pressing for congressional action. On the other hand, the reorganization plan affords a method by which action can be initiated and the proposal considered with a minimum consumption of legislative time.

The reorganization-plan procedure is a tested and proven means of dealing with organization problems. Twice within the last 10 years the Congress has authorized this method of reorganization for short periods. Under each of those authorizations many changes were made which added to the efficiency of the executive branch and tended to simplify its administration. The advances made during the brief life of the Reorganization Acts of 1939 and 1945 clearly indicate the desirability of permanent reorganization legislation.

Second, the new reorganization act should be comprehensive in scope; no agency or function of the executive branch should be exempted from its operation. Such exemptions prevent the President and the Congress from deriving the full benefit of the reorganization-plan procedure, primarily by precluding action on major organizational problems. A seemingly limited exemption may in fact render an entire needed reorganization affecting numerous agencies and functions wholly impractical. The proper protection against the possibility of unwise reorganization lies, not in the statutory exemption from the reorganization-plan procedure, but in the authority of Congress to reject any such plan by simple majority vote of both Houses.

Finally, let me urge early enactment. Under the reorganization procedure, reorganization plans must lie before the Congress for 60 calendar days of continuous session in order to become effective. Unless the necessary legislation is adopted in the early weeks of the session, it obviously will be impossible to make effective use of the reorganization procedure during the present session.

The proper execution of the laws demands a simple, workable method of making organizational adjustments. Without it the efficiency of the Government is impaired and the President is handicapped in performing his functions as Chief Executive. In my judgment permanent legislation to restore the reorganization-plan procedure is an essential step toward efficient and economical conduct of the public's business.

HARRY S. TRUMAN.

THE WHITE HOUSE, *January 17, 1949.*

On January 13, 1949, Hon. Herbert Hoover, Chairman of the Commission on Organization of the Executive Branch of the Government, addressed the following letter to the Speaker of the House:

COMMISSION ON ORGANIZATION OF THE
EXECUTIVE BRANCH OF THE GOVERNMENT,
Washington 25, D. C., January 13, 1949.

The Honorable SAM RAYBURN,
Speaker of the House of Representatives.

MY DEAR MR. SPEAKER: The necessity for reorganization of the executive branch of the Government was clearly recognized by the Congress when it created this Commission in July 1947, with the full approval of the President. Congress assigned the Commission the duty of examination and recommendation under the following statement from the act creating the Commission:

"It is hereby declared to be the policy of Congress to promote economy, efficiency and improved service in the transaction of the public business in the depart-

ments, bureaus, ageneies, boards, commissions, offices, independent establishments, and instrumentalities of the executive branch of the Government by—

“(1) limiting expenditures to the lowest amount consistent with the efficient performance of essential services, activities, and functions;

“(2) eliminating duplication and overlapping of services, activities, and functions;

“(3) consolidating services, activities, and functions of a similar nature;

“(4) abolishing services, activities, and functions not necessary to the efficient conduct of government; and

“(5) defining and limiting executive functions, services, and activities.”

This concern of Congress for economy and efficiency reflects the overwhelming interest of every thoughtful citizen and taxpayer in the land.

The writing and adoption of the Federal Constitution proved that a republic could deliberately analyze its political institutions and redesign its government to meet the demands of the future. The broad pattern that America then selected is sound. Today we must deal with the infinitely more complicated government of the twentieth century. In doing so, we must reorganize the executive branch to give it the simplicity of structure, the unity of purpose, and the clear line of executive authority that was originally intended under the Constitution.

As a result of depression, war, new needs for defense, and our greater responsibilities in the foreign field, the Federal Government has become the most gigantic business on earth. In less than 20 years the number of its civil employees has risen from 570,000 to over 2,100,000. The number of bureaus, sections, services, and units has increased fourfold to over 1,800. Annual expenditures have increased from about \$3,600,000,000 to over \$42,000,000,000. The national debt per average family has increased from about \$500 to about \$7,500. Such rapid growth could not take place without causing serious problems. Organizational methods, effective 20 years ago, are no longer applicable. The growth of skills and methods in private organization has long since outmoded many of the methods of the Government.

This Commission has found that the United States is paying heavily for a lack of order, a lack of clear lines of authority and responsibility, and a lack of effective organization in the executive branch. It has found that great improvements can be made in the effectiveness with which the Government can serve the people if its organization and administration is overhauled.

This Commission has been engaged in its task for the last 16 months and is reaching its conclusions only after the most painstaking research. We decided at an early date that we must have the aid of leading and experienced citizens to assist us in making findings of fact and recommendation of remedies. The Commission, therefore, divided its work into functional and departmental segments; it created 24 “task forces” with authority to engage such research aid as they might require. About 300 outstanding men and women, expert and experienced in the fields to which they were assigned, have now submitted to us their findings and recommendations. Thanks are due them. They brought great talent and diligence to their work. Their findings will be found useful by the Congress and the executive branch in solution of the problems considered.

Some of the recommendations contained in the volumes of our report which we plan to file from time to time between now and the expiration of the life of the Commission, can be put into effect only by legislation. Others can be accomplished by executive action. But many of the most important can probably be accomplished only if the Congress reenacts and broadens the power to initiate reorganization plans which it had previously granted to the President under an act which expired on March 31, 1948.

The Commission recommends that such authority should be given to the President and that the power of the President to prepare and transmit plans of reorganization to the Congress should not be restricted by limitations or exemptions. Once the limiting and exempting process is begun it will end the possibility of achieving really substantial results.

But, in saying this, the Commission should not be understood as giving sweeping endorsement to any and all reorganization plans. It does believe that the safeguard against unwise reorganization plans lies both in a sound exercise of the President's discretion and in the reserved power in the Congress by concurrent resolution to disapprove any proposed plan.

Limitations or exemptions upon this power to reorganize should not be imposed other than that of congressional disapproval. They have arisen in the past chiefly in connection with the regulatory commissions. In one of its reports the Commission will discuss these regulatory commissions in detail. It will point out in each case those regulatory functions which it is believed should continue

to be performed independently. The Commission will also point out certain other functions which are of a different nature and which can be more efficiently and economically performed by purely executive officials. The inclusion in a reorganization act of provisions exempting certain agencies from its terms would prevent changes which are in accord with established principles in this field and which in no way impair the maintenance of independence and impartiality in the exercise of the great regulatory functions.

Similarly, the inclusion of general language, like that contained in section 5 (a) (6) of the Reorganization Act of 1945,¹ intended to prevent the submission of any plan which imposes limitations upon the independent exercise of "quasi legislative" or "quasi judicial" functions, would, in the Commission's judgment, be unwise. The phrases are extremely vague and of uncertain meaning. Ingenious and plausible arguments can be made to apply them to a wide range of functions which should clearly be subject to reorganization procedure. Such arguments would not be matters of purely theoretical concern or legislative debates, for the validity of reorganization could be made the subject of protracted litigation by private interests resisting the acts of a reorganized agency on the ground that it was illegally constituted. It might take several years of litigation to lay down interpretations of these general phrases and even then, uncertainty would remain.

The Commission, in accordance with the act of Congress creating it, as amended, will file its report in a series of parts or volumes, the last of which will be delivered within 70 days of the organization of the Eighty-first Congress. These reports will contain its findings and recommendations. They will begin with the top organization and structure of the executive branch and proceed through the services which are common to the whole executive branch to the reorganizations recommended for particular agencies and groups of agencies.

Yours faithfully,

HERBERT HOOVER, *Chairman.*

Full hearings were held on the bill (and on its predecessor, H. R. 1569, 81st Cong.), and your committee heard, among others, the Comptroller General of the United States (former Congressman Lindsay C. Warren, who as a Member from North Carolina was in charge of the bill which became the Reorganization Act of 1939, upon which the 1945 act and the present bill were based), Mr. Frederick J. Lawton, Assistant Director of the Bureau of the Budget, and former President Herbert Hoover, who appeared as the Chairman of the Commission on Organization of the Executive Branch of the Government. All three of those officials most strongly urged the enactment of this legislation.

The enactment of reorganization legislation of the character contained in the bill is necessary for the following reasons:

First, the predecessor act, namely, the Reorganization Act of 1945, expired last April.

Second, there is an ever-present need for making such changes in the organization of executive agencies as will make the executive branch of the Government more manageable, promote better coordination in the development and execution of Government programs by removing sources of confusing and conflicting policies, minimize the confusion encountered by a citizen in dealing with scattered and overlapping agencies and facilitate the conduct of his business with the Government, and otherwise promote efficiency and economy. For the last half a century one President after another has called the attention of the Congress to the need for reorganizing the executive branch. This need has increased as the role of the Government has

¹ "Sec. 5. (a) No reorganization plan shall provide for, and no reorganization under this Act shall the effect of— * * * (6) imposing, in connection with the exercise of any quasi-judicial or quasi-legislative function possessed by an independent agency, any greater limitation upon the exercise of independent judgment and discretion, to the full extent authorized by law, in the carrying out of such function, than existed with respect to the exercise of such function by the agency in which it was vested prior to the taking effect of such reorganization; except that this prohibition shall not prevent the abolition of any such function; * * *."

been enlarged and as the number and size of Government programs and agencies have been correspondingly increased. Unanimity of opinion appears to have existed for many years that corrective measures with respect to executive organization are needed.

Third, experience has demonstrated that substantial progress in reorganizing the executive branch can come about only under general authorizing legislation enacted by the Congress. The Congress of course has made and will make selected changes in the organization of the executive branch; but, as many Members of the Congress have stated, it is not feasible to enact far-reaching changes in organization permeating widely through the executive branch by means of direct legislation affecting specific agencies.

Fourth, in addition to the need which always prevails for suitable reorganization authority, there is at present a special need because of the forthcoming recommendations of the Commission on the Organization of the Executive Branch of the Government. These recommendations may be expected to be numerous and to touch upon a major share of all the Federal agencies and functions. While the Congress will no doubt deal with some of those recommendations by direct legislation there can scarcely be a doubt that the most feasible method of dealing with many of the recommendations involving changes in Federal organization will be by Presidential submission of reorganization plans to the Congress with respect to such of the Commission's recommendations as meet with his approval.

History of reorganization efforts

The problem to which the present bill is directed has long been the subject of extensive consideration in both the legislative and executive branches of the Government. A full historical review is presented in the report of the Senate Judiciary Committee of October 18, 1945, being Senate Report No. 638, Seventy-ninth Congress.

Measured by the practical test of accomplishments, it is evident that the general procedure incorporated in the present bill has proved to be the only satisfactory means for achieving needed reorganization of executive agencies.

Executive-legislative cooperative method

The method of achieving executive reorganization embodied in the bill is essentially one of executive-legislative cooperation. The President is authorized to make proposals which will promote efficiency and economy in the work of the Government; this is in keeping with his responsibilities as Chief Executive. Moreover, a procedure is provided whereby the effectuation of such proposals may be achieved. At the same time, the interests of the Congress are safeguarded in that provision is made for a review of each plan by the Congress, including provision for a simple and certain method of procedure to insure that members will have an opportunity to vote on the issue of disapproval of the plan.

After full discussion and examination of the precedents and authorities, a majority of the committee are satisfied that the constitutional

duties and prerogatives of the Congress are fully and properly exercised in this legislation. Adequate standards are specified in accordance with which the President must act in formulating reorganization plans, and the Congress reserves to itself the opportunity to disapprove any plan and thereby prevent it from becoming effective.

In giving the Executive the machinery of good management as contemplated by the present bill, the Congress actually strengthens its own hand by making easier the enforcement and administration of legislative decisions. At the same time the President is given a better opportunity to discharge effectively his constitutional obligation with respect to the execution of the laws.

MAJOR DIFFERENCES FROM REORGANIZATION ACT OF 1945

By and large, the bill follows the 1945 act, which, in turn was largely based on the 1939 act. The major differences between this legislation and the 1945 act are as follows:

(1) The legislation here proposed would be permanent, while the 1945 act operated for a limited time.

(2) No executive agency is exempted under this bill, while under the 1945 act a number of agencies were exempted. It is felt that exemptions, even of major regulatory commissions, would seriously hinder the reorganization effort. Many of the regulatory commissions have nonregulatory functions which appropriately might be assigned to a different type of agency.

(3) This bill will permit a type of reorganization not authorized under the 1945 act—the granting to any officer of authority to delegate any of his functions. The main purpose is to make it possible for top officials to delegate routine functions which are vested in them by law in such manner as to prevent delegation.

(4) The bill omits the provision of the 1945 act relating to quasi judicial and quasi legislative functions of independent agencies. The omission of this provision is in line with the recommendation of the President and the Commission on Organization of the Executive Branch of the Government.

(5) The bill permits submission of reorganization plans with respect to the government of the District of Columbia.

(6) The bill grants broader authority to create offices made necessary by a reorganization. Under the 1945 act the new offices which could be created were only those of “heads” and “assistant heads” of agencies. The change will permit a plan to provide for the appropriate type of officer in each case.

(7) The bill differs from the 1945 act with respect to the limitation on the rate of compensation applicable to offices created by a reorganization plan. Under the bill, because of the fact that consideration is now being given to revision of salaries of higher administrative officials, it is provided that the compensation to be fixed shall not be at a rate in excess of that found by the President to prevail in respect of comparable officers in the executive branch. The 1945 act provided that the compensation fixed should not exceed \$10,000 per annum.

EXPLANATION OF THE BILL BY SECTIONS

TITLE I

SECTION 1. SHORT TITLE

This section provides that the bill may be cited as the "Reorganization Act of 1949."

SECTION 2. NEED FOR REORGANIZATIONS

Subsection (a) of this section requires the President to examine and from time to time reexamine the organization of all agencies of the Government for the purpose of determining what changes therein are necessary to accomplish any one or more of the purposes specified in such subsection. These purposes are—

(1) To promote the better execution of the laws, the more effective management of the executive branch of the Government and of its agencies and functions, and the expeditious administration of the public business;

(2) To reduce expenditures and promote economy, to the fullest extent consistent with the efficient operation of the Government;

(3) To increase the efficiency of the operations of the Government to the fullest extent practicable;

(4) To group, coordinate, and consolidate agencies and functions of the Government, as nearly as may be, according to major purposes;

(5) To reduce the number of agencies by consolidating those having similar functions under a single head, and to abolish such agencies or functions thereof as may not be necessary for the efficient conduct of the Government; and

(6) To eliminate overlapping and duplication of effort.

These six stated purposes are also the standards to guide the President in making his determinations as to what reorganizations he will set forth in the reorganization plans which he transmits to Congress pursuant to later provisions of the bill.

Subsection (b) of this section is a declaration by Congress that the purposes specified in subsection (a) may be accomplished in great measure by the method proposed in the bill, and can be accomplished more speedily thereby than by the enactment of specific legislation.

SECTION 3. REORGANIZATION PLANS

This section provides that, whenever the President after investigation finds that any one or more transfers, consolidations, coordinations, authorizations, or abolitions are necessary to accomplish any one or more of the six purposes specified in section 2 (a), he is to prepare a reorganization plan for the making of the reorganizations as to which he has made the required finding and which he includes in the plan. The President's authority under this section is, however, subject to the limitations prescribed in section 5. The reorganizations contemplated and authorized are—

(1) The transfer of the whole or any part of any agency, or of the whole or any part of the functions thereof, to the jurisdiction and control of any other agency; or

(2) The abolition of all or any part of the functions of any agency; or

(3) The consolidation or coordination of the whole or any part of any agency, or of the whole or any part of the functions thereof, with the whole or any part of any other agency or the functions thereof; or

(4) The consolidation or coordination of any part of any agency or the functions thereof with any other part of the same agency or the functions thereof; or

(5) The authorization of any officer to delegate any of his functions; or

(6) The abolition of the whole or any part of any agency which agency or part does not have, or upon the taking effect of the reorganization plan will not have, any functions.

A reorganization plan so prepared is to be transmitted to the Congress by the President together with a declaration that, with respect to each proposed reorganization contained therein, he has found that such reorganization is necessary to accomplish one or more of the purposes of section 2 (a). Any plan so prepared and transmitted is to bear an identifying number. The President is required in his message transmitting any such plan to the Congress to specify, with respect to each abolition of a function included in the plan, the statutory authority for the exercise of such function.

SECTION 4. CONTENTS OF THE PLANS

This section provides for other matters for which the President either must or may make provisions in any plan transmitted to the Congress pursuant to section 3. The President's authority under this section is subject to the limitations prescribed in section 5.

Section 4 provides that the President—

(1) Shall change, in such cases as he deems necessary, the name of any agency affected by a reorganization, and the title of its head; and shall designate the name of any agency resulting from a reorganization and the title of its head;

(2) may include provisions for the appointment and compensation of the head and one or more other officers of any agency (including an agency resulting from a consolidation or other type of reorganization) if the President finds, and in his message transmitting the plan declares, that by reason of a reorganization made by the plan such provisions are necessary. The head so provided for may be an individual or may be a commission or board with two or more members. In the case of any such appointment the term of office shall not be fixed at more than four years, the compensation shall not be at a rate in excess of that found by the President to prevail in respect of comparable officers in the executive branch, and, if the appointment is not under the classified civil service, it shall be by the President, by and with the advice and consent of the Senate;

(3) shall make provision for the transfer or other disposition of the records, property, and personnel affected by any reorganization;

(4) shall make provision for the transfer of such unexpended balances of appropriations, and of other funds, available for use

in connection with any function or agency affected by a reorganization, as he deems necessary by reason of the reorganization for use in connection with the functions affected by the reorganization, or for the use of the agency which shall have such functions after the reorganization plan is effective, but such unexpended balances so transferred shall be used only for the purposes for which such appropriation was originally made; and

(5) shall make provision for winding up the affairs of any agency abolished.

SECTION 5. LIMITATION ON POWERS WITH RESPECT TO REORGANIZATIONS

This section contains limitations with respect to the reorganizations which may be accomplished under the bill. Subsection (a) provides that no reorganization plan shall provide for, and no reorganization under the bill shall have the effect of—

(1) Abolishing or transferring an executive department or all the functions thereof, establishing any new executive department, designating any agency as "Department" or its head as "Secretary," or consolidating any two or more executive departments or all the functions thereof; or

(2) Continuing any agency beyond the period authorized by law for its existence or beyond the time when it would have terminated if the reorganization had not been made; or

(3) Continuing any function beyond the period authorized by law for its exercise, or beyond the time when it would have terminated if the reorganization had not been made; or

(4) Authorizing any agency to exercise any function which is not expressly authorized by law at the time the plan is transmitted to the Congress; or

(5) increasing the term of any office beyond that provided by law for such office; or

(6) transferring to or consolidating with any other agency the municipal government of the District of Columbia or all those functions thereof which are subject to the bill, or abolishing said government or all said functions.

Subsection (b) deals exclusively with the following four agencies: National Military Establishment, Board of Governors of the Federal Reserve System, Interstate Commerce Commission, and Securities and Exchange Commission. It provides that a reorganization plan providing for a reorganization affecting any such named agency may not provide also for a reorganization which does not affect such agency, subject to the exception that this prohibition does not apply to the transfer to such agency of the whole or any part of, or the whole or any part of the functions of, any agency not so named. Any provision contained in a reorganization plan is not to be effective if the plan violates this subsection. This subsection, notwithstanding certain difference in language, has the same legal effect with respect to the named agencies as subsection (d) of section 5 of the Reorganization Act of 1945 had with respect to the agencies named in that subsection. The purpose of this subsection is to insure that reorganizations affecting one of these four agencies will be sent to the Congress separately and not mingled with reorganizations affecting other agencies. Under this procedure the Congress may vote on the merits of the reorgani-

zations affecting one of these agencies without being obliged to weigh the merits of such reorganizations as compared with the merits or demerits of reorganizations affecting other agencies.

SECTION 6. TAKING EFFECT OF REORGANIZATIONS

This section provides that the provisions of the reorganization plan shall take effect (except as noted below) upon the expiration of the first period of 60 calendar days of continuous session of Congress following the date on which the plan is transmitted to the Congress, but this taking effect is to occur only if between the date of transmittal and the expiration of the 60-day period there has not been passed by the two Houses a concurrent resolution stating in substance that the Congress does not favor the reorganization plan.

Under the section if Congress adjourns sine die the continuity of session is considered as broken and a new 60-day period will start upon the convening of Congress at the next regular or special session.

If, however, either House takes an adjournment of more than 3 days to a day certain the days on which that House is not in session because of such adjournment are excluded from the computation of the 60-day period. To this there is an exception that if a resolution (to which the rules of the House and Senate contained in title II apply) has been passed by one House and sent to the other there is not excluded from the computation of the 60-day period the days in which the first House is not in session on account of adjournment for more than 3 days to a day certain.

Any provision of the plan may, under provisions contained in the plan, be made operative at a time later than the date on which the plan otherwise takes effect.

SECTION 7. DEFINITION OF "AGENCY"

This section contains the definition of the term "agency" for purposes of the bill. The term is defined to mean any executive department, commission, council, independent establishment, Government corporation, board, bureau, division, service, office, officer, authority, administration or other establishment, in the executive branch of the Government, and also any and all parts of the municipal government of the District of Columbia except the courts thereof. It is expressly stated that such term does not include the Comptroller General of the United States or the General Accounting Office, which (as in the Reorganization Act of 1945) are declared by the bill to be a part of the legislative branch of the Government.

SECTION 8. MATTERS DEEMED TO BE REORGANIZATIONS

This section contains the definition of the term "reorganization" for purposes of the bill. The term is defined to mean any transfer, consolidation, coordination, authorization, or abolition, referred to in section 3 of the bill.

SECTION 9. SAVING PROVISIONS

This section contains saving provisions with respect to the status, after a reorganization, of statutory provisions, regulations, and other

actions, and suits and other proceedings, having a relation to any agency or function affected by such reorganization.

SECTION 10. UNEXPENDED APPROPRIATIONS

This section provides for the impounding of sums unexpended by reason of the operation of the legislation.

SECTION 11. PRINTING OF REORGANIZATION PLANS

This section provides that each reorganization plan which shall take effect shall be printed in the Statutes at Large in the same volume as the public laws and in the Federal Register.

TITLE II

Title II provides a set of rules (identical with the rules set forth in part 2 of title I of the Reorganization Act of 1939 and in title II of the Reorganization Act of 1945) for the consideration of concurrent resolutions expressing congressional disapproval of reorganization plans. The rules have the underlying purpose of permitting a majority in favor of such a resolution to get a vote on the merits within the 60-day period without their will being frustrated by parliamentary technicalities or filibusters.

Section 201 expressly provides that these rules set forth in the bill are adopted in pursuance of the power of each House to make its own rules, that they apply only to concurrent resolutions which follow the precise form provided in section 202, that these rules are to be considered as a part of the rules of each House and supersede other rules only to the extent that such other rules are inconsistent with the rules stated in the bill. Further, the section expressly recognizes the constitutional right of either House at any time to change the rules set forth in the bill.

Section 202 contains the definition of "resolution" for the purposes of the rules. Since the rules have as one of their objectives the elimination of the necessity for a conference between the two Houses and, as another, the elimination of debate upon amendments, the exact form of the resolution to which such rules apply is set forth. The resolution can specify only one plan. By its terms it relates to the whole plan, not to parts of it. A resolution departing from this form does not have the benefit of such rules, but if adopted is just as effective under section 6 of the bill as one which follows the form.

Section 203 provides for reference to a committee of such a resolution. All resolutions relating to the same plan are to be referred to the same committee.

Section 204 provides a procedure for discharge of the committee. If the committee of reference fails to report a resolution within 10 days after introduction (or receipt from the other House) a motion may be made to discharge the committee. The motion may relate to any resolution in the committee if the 10-day period has expired on one which is in the committee.

Such a motion may be made only by a person favoring the resolution. It is highly privileged. Debate on the motion to discharge is limited to 1 hour, to be equally divided. The motion cannot be

amended, and no motion to reconsider will lie. If the motion to discharge is agreed to, or disagreed to, it cannot be renewed nor may a motion be made to discharge the committee from consideration of any other resolution relating to the same plan which is in the committee. Failure of the motion to discharge does not prohibit the committee from reporting a resolution thereafter and has no effect on the status of a resolution not following the prescribed form.

Section 205 provides for the consideration of the resolution. If the committee has reported or been discharged from consideration of a resolution relating to a plan, it is in order, at any time, for any member to move to proceed to the consideration of the resolution. That motion may be made at any time and even if a previous similar motion has been lost. The motion to consider is highly privileged, is not debatable, and may not be amended, and no motion to reconsider will lie. Debate on the resolution is limited to not to exceed 10 hours, equally divided. A motion to limit debate is not debatable, and a motion to extend debate will not lie. No amendment to the resolution, or to recommit it, is in order and no motion to reconsider the resolution will lie.

Section 206 provides for decision without debate on all motions to postpone with respect to a resolution and on motions to proceed to other business. It also provides that appeals from decisions of the Chair under these rules and the other rules of the body shall, insofar as they relate to such resolutions, be decided without debate.

Section 207 provides for the case where a resolution is received from the other House. Thus, assume the case where the House receives from the Senate a resolution prior to the adoption of a House resolution relating to the same plan: If no House resolution has been referred to committee, only the Senate resolution may be made the subject of a motion to discharge. If a House resolution has been referred to committee, any House resolution may be made the subject of a motion to discharge or may be reported, just as if no Senate resolution had been received. On any vote on final passage, however, the Senate resolution is substituted for the House resolution.



[Report No. 23]

FEBRUARY 7, 1949

Mr. DAWSON introduced the following bill; which was referred to the Committee on Expenditures in the Executive Departments

FEBRUARY 7, 1949

Committed to the Committee of the Whole House on the State of the Union
and ordered to be printed

To provide for the reorganization of Government agencies, and
for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 TITLE I

4 SHORT TITLE

5 SECTION 1. This Act may be cited as the “Reorganiza-
6 tion Act of 1949”.

7 NEED FOR REORGANIZATIONS

8 SEC. 2. (a) The President shall examine and from time
9 to time reexamine the organization of all agencies of the
10 Government and shall determine what changes therein are
11 necessary to accomplish the following purposes:

1 (1) to promote the better execution of the laws,
2 the more effective management of the executive branch
3 of the Government and of its agencies and functions,
4 and the expeditious administration of the public business;

5 (2) to reduce expenditures and promote economy,
6 to the fullest extent consistent with the efficient opera-
7 tion of the Government;

8 (3) to increase the efficiency of the operations of
9 the Government to the fullest extent practicable;

10 (4) to group, coordinate, and consolidate agencies
11 and functions of the Government, as nearly as may be,
12 according to major purposes;

13 (5) to reduce the number of agencies by con-
14 solidating those having similar functions under a single
15 head, and to abolish such agencies or functions thereof
16 as may not be necessary for the efficient conduct of
17 the Government; and

18 (6) to eliminate overlapping and duplication of
19 effort.

20 (b) The Congress declares that the public interest
21 demands the carrying out of the purposes specified in sub-
22 section (a) and that such purposes may be accomplished in
23 great measure by proceeding under the provisions of this
24 Act, and can be accomplished more speedily thereby than
25 by the enactment of specific legislation.

REORGANIZATION PLANS

SEC. 3. Whenever the President, after investigation, finds that—

(1) the transfer of the whole or any part of any agency, or of the whole or any part of the functions thereof, to the jurisdiction and control of any other agency; or

(2) the abolition of all or any part of the functions of any agency; or

(3) the consolidation or coordination of the whole or any part of any agency, or of the whole or any part of the functions thereof, with the whole or any part of any other agency or the functions thereof; or

(4) the consolidation or coordination of any part of any agency or the functions thereof with any other part of the same agency or the functions thereof; or

(5) the authorization of any officer to delegate any of his functions; or

(6) the abolition of the whole or any part of any agency which agency or part does not have, or upon the taking effect of the reorganization plan will not have, any functions,

is necessary to accomplish one or more of the purposes of section 2 (a), he shall prepare a reorganization plan for the making of the reorganizations as to which he has made find-

ings and which he includes in the plan, and transmit such plan (bearing an identifying number) to the Congress, together with a declaration that, with respect to each reorganization included in the plan, he has found that such reorganization is necessary to accomplish one or more of the purposes of section 2 (a). The delivery to both Houses shall be on the same day and shall be made to each House while it is in session. The President, in his message transmitting a reorganization plan, shall specify with respect to each abolition of a function included in the plan the statutory authority for the exercise of such function.

OTHER CONTENTS OF PLANS

SEC. 4. Any reorganization plan transmitted by the President under section 3—

(1) shall change, in such cases as he deems necessary, the name of any agency affected by a reorganization, and the title of its head; and shall designate the name of any agency resulting from a reorganization and the title of its head;

(2) may include provisions for the appointment and compensation of the head and one or more other officers of any agency (including an agency resulting from a consolidation or other type of reorganization) if the President finds, and in his message transmitting the plan declares, that by reason of a reorganization made

1 by the plan such provisions are necessary. The head so
2 provided for may be an individual or may be a com-
3 mission or board with two or more members. In the
4 case of any such appointment the term of office shall
5 not be fixed at more than four years, the compensa-
6 tion shall not be at a rate in excess of that found
7 by the President to prevail in respect of comparable
8 officers in the executive branch, and, if the appointment
9 is not under the classified civil service, it shall be by
10 the President, by and with the advice and consent of
11 the Senate;

12 (3) shall make provision for the transfer or other
13 disposition of the records, property, and personnel
14 affected by any reorganization;

15 (4) shall make provision for the transfer of such
16 unexpended balances of appropriations, and of other
17 funds, available for use in connection with any function
18 or agency affected by a reorganization, as he deems
19 necessary by reason of the reorganization for use in con-
20 nection with the functions affected by the reorganization,
21 or for the use of the agency which shall have such func-
22 tions after the reorganization plan is effective, but such
23 unexpended balances so transferred shall be used only
24 for the purposes for which such appropriation was
25 originally made;

1 (5) shall make provision for winding up the af-
2 fairs of any agency abolished.

3 LIMITATIONS ON POWERS WITH RESPECT TO
4 REORGANIZATIONS

5 SEC. 5. (a) No reorganization plan shall provide for,
6 and no reorganization under this Act shall have the effect
7 of—

8 (1) abolishing or transferring an executive depart-
9 ment or all the functions thereof, establishing any new
10 executive department, designating any agency as “De-
11 partment” or its head as “Secretary”, or consolidating
12 any two or more executive departments or all the func-
13 tions thereof; or

14 (2) continuing any agency beyond the period au-
15 thorized by law for its existence or beyond the time
16 when it would have terminated if the reorganization
17 had not been made; or

18 (3) continuing any function beyond the period
19 authorized by law for its exercise, or beyond the time
20 when it would have terminated if the reorganization had
21 not been made; or

22 (4) authorizing any agency to exercise any func-
23 tion which is not expressly authorized by law at the time
24 the plan is transmitted to the Congress; or

(5) increasing the term of any office beyond that provided by law for such office; or

(6) transferring to or consolidating with any other agency the municipal government of the District of Columbia or all those functions thereof which are subject to this Act, or abolishing said government or all said functions.

(b) A reorganization plan providing for a reorganization affecting any agency named below in this subsection may not provide also for a reorganization which does not affect such agency; except that this prohibition shall not apply to the transfer to such agency of the whole or any part of, or the whole or any part of the functions of, any agency not so named. No provision contained in a reorganization plan shall take effect if the reorganization plan is in violation of this subsection. The agencies above referred to in this subsection are as follows: National Military Establishment, Board of Governors of the Federal Reserve System, Interstate Commerce Commission, and Securities and Exchange Commission.

TAKING EFFECT OF REORGANIZATIONS

SEC. 6. (a) Except as may be otherwise provided pursuant to subsection (c) of this section, the provisions of the reorganization plan shall take effect upon the expiration of

1 the first period of sixty calendar days, of continuous session
2 of the Congress, following the date on which the plan is
3 transmitted to it; but only if, between the date of trans-
4 mittal and the expiration of such sixty-day period there has
5 not been passed by the two Houses a concurrent resolution
6 stating in substance that the Congress does not favor the
7 reorganization plan.

8 (b) For the purposes of subsection (a) —

9 (1) continuity of session shall be considered as
10 broken only by an adjournment of the Congress sine die;
11 but

12 (2) in the computation of the sixty-day period there
13 shall be excluded the days on which either House is
14 not in session because of an adjournment of more than
15 three days to a day certain; except that if a resolution
16 (as defined in section 202) with respect to such reorgani-
17 zation plan has been passed by one House and sent
18 to the other, no exclusion under this paragraph shall
19 be made by reason of adjournments of the first House
20 taken thereafter.

21 (c) Any provision of the plan may, under provisions
22 contained in the plan, be made operative at a time later than
23 the date on which the plan shall otherwise take effect.

24 DEFINITION OF “AGENCY”

25 SEC. 7. When used in this Act, the term “agency”

1 means any executive department, commission, council, in-
2 dependent establishment, Government corporation, board,
3 bureau, division, service, office, officer, authority, adminis-
4 tration or other establishment, in the executive branch of
5 the Government, and means also any and all parts of the
6 municipal government of the District of Columbia except the
7 courts thereof. Such term does not include the Comptroller
8 General of the United States or the General Accounting
9 Office, which are a part of the legislative branch of the
10 Government.

11 MATTERS DEEMED TO BE REORGANIZATIONS

12 SEC. 8. For the purposes of this Act the term "reor-
13 ganization" means any transfer, consolidation, coordination,
14 authorization, or abolition, referred to in section 3.

15 SAVING PROVISIONS

16 SEC. 9. (a) (1) Any statute enacted, and any regula-
17 tion or other action made, prescribed, issued, granted, or
18 performed in respect of or by any agency or function af-
19 fected by a reorganization under the provisions of this Act,
20 before the effective date of such reorganization, shall, except
21 to the extent rescinded, modified, superseded, or made in-
22 applicable by or under authority of law or by the abolition
23 of a function, have the same effect as if such reorganization
24 had not been made; but where any such statute, regulation,
25 or other action has vested the function in the agency from

1 which it is removed under the plan, such function shall, in-
2 sofar as it is to be exercised after the plan becomes effective,
3 be considered as vested in the agency under which the
4 function is placed by the plan.

5 (2) As used in paragraph (1) of this subsection the
6 term "regulation or other action" means any regulation, rule,
7 order, policy, determination, directive, authorization, permit,
8 privilege, requirement, designation, or other action.

9 (b) No suit, action, or other proceeding lawfully com-
10 menced by or against the head of any agency or other officer
11 of the United States, in his official capacity or in relation to
12 the discharge of his official duties, shall abate by reason of the
13 taking effect of any reorganization plan under the provisions
14 of this Act, but the court may, on motion or supplemental
15 petition filed at any time within twelve months after such
16 reorganization plan takes effect, showing a necessity for a
17 survival of such suit, action, or other proceeding to obtain a
18 settlement of the questions involved, allow the same to be
19 maintained by or against the successor of such head or officer
20 under the reorganization effected by such plan or, if there
21 be no such successor, against such agency or officer as the
22 President shall designate.

23 UNEXPENDED APPROPRIATIONS

24 SEC. 10. The appropriations or portions of appropria-
25 tions unexpended by reason of the operation of this Act shall

1 not be used for any purpose, but shall be impounded and
2 returned to the Treasury.

3 PRINTING OF REORGANIZATION PLANS

4 SEC. 11. Each reorganization plan which shall take
5 effect shall be printed in the Statutes at Large in the same
6 volume as the public laws, and shall be printed in the Federal
7 Register.

8 TITLE II

9 SEC. 201. The following sections of this title are enacted
10 by the Congress:

11 (a) As an exercise of the rule-making power of the
12 Senate and the House of Representatives, respectively, and
13 as such they shall be considered as part of the rules of each
14 House, respectively, but applicable only with respect to the
15 procedure to be followed in such House in the case of reso-
16 lutions (as defined in section 202) ; and such rules shall
17 supersede other rules only to the extent that they are incon-
18 sistent therewith; and

19 (b) With full recognition of the constitutional right of
20 either House to change such rules (so far as relating to the
21 procedure in such House) at any time, in the same manner
22 and to the same extent as in the case of any other rule of
23 such House.

24 SEC. 202. As used in this title, the term "resolution"
25 means only a concurrent resolution of the two Houses of

1 Congress, the matter after the resolving clause of which is as
2 follows: "That the Congress does not favor the reorganiza-
3 tion plan numbered — transmitted to Congress by the
4 President on ———, 19—.", the blank spaces therein
5 being appropriately filled; and does not include a concurrent
6 resolution which specifies more than one reorganization plan.

7 SEC. 203. A resolution with respect to a reorganization
8 plan shall be referred to a committee (and all resolutions
9 with respect to the same plan shall be referred to the same
10 committee) by the President of the Senate or the Speaker
11 of the House of Representatives, as the case may be.

12 SEC. 204. (a) If the committee to which has been
13 referred a resolution with respect to a reorganization plan
14 has not reported it before the expiration of ten calendar
15 days after its introduction (or, in the case of a resolution
16 received from the other House, ten calendar days after its
17 receipt), it shall then (but not before) be in order to move
18 either to discharge the committee from further considera-
19 tion of such resolution, or to discharge the committee from
20 further consideration of any other resolution with respect
21 to such reorganization plan which has been referred to the
22 committee.

23 (b) Such motion may be made only by a person favor-
24 ing the resolution, shall be highly privileged (except that
25 it may not be made after the committee has reported a

1 resolution with respect to the same reorganization plan),
2 and debate thereon shall be limited to not to exceed one
3 hour, to be equally divided between those favoring and those
4 opposing the resolution. No amendment to such motion
5 shall be in order, and it shall not be in order to move to
6 reconsider the vote by which such motion is agreed to or
7 disagreed to.

8 (c) If the motion to discharge is agreed to or disagreed
9 to, such motion may not be renewed, nor may another motion
10 to discharge the committee be made with respect to any
11 other resolution with respect to the same reorganization plan.

12 SEC. 205. (a) When the committee has reported, or has
13 been discharged from further consideration of, a resolution
14 with respect to a reorganization plan, it shall at any time
15 thereafter be in order (even though a previous motion to the
16 same effect has been disagreed to) to move to proceed to
17 the consideration of such resolution. Such motion shall be
18 highly privileged and shall not be debatable. No amend-
19 ment to such motion shall be in order and it shall not be
20 in order to move to reconsider the vote by which such mo-
21 tion is agreed to or disagreed to.

22 (b) Debate on the resolution shall be limited to not
23 to exceed ten hours, which shall be equally divided between
24 those favoring and those opposing the resolution. A motion
25 further to limit debate shall not be debatable. No amend-

1 ment to, or motion to recommit, the resolution shall be in
 2 order, and it shall not be in order to move to reconsider
 3 the vote by which the resolution is agreed to or disagreed to.

4 SEC. 206. (a) All motions to postpone, made with re-
 5 spect to the discharge from committee, or the considera-
 6 tion of, a resolution with respect to a reorganization plan, and
 7 all motions to proceed to the consideration of other business,
 8 shall be decided without debate.

9 (b) All appeals from the decisions of the Chair relating
 10 to the application of the rules of the Senate or the House
 11 of Representatives, as the case may be, to the procedure
 12 relating to a resolution with respect to a reorganization plan
 13 shall be decided without debate.

14 SEC. 207. If, prior to the passage by one House of a
 15 resolution of that House with respect to a reorganization
 16 plan, such House receives from the other House a resolution
 17 with respect to the same plan, then—

18 (a) If no resolution of the first House with respect to
 19 such plan has been referred to committee, no other resolution
 20 with respect to the same plan may be reported or (despite
 21 the provisions of section 204 (a)) be made the subject of
 22 a motion to discharge.

23 (b) If a resolution of the first House with respect to
 24 such plan has been referred to committee—

25 (1) the procedure with respect to that or other

1 resolutions of such House with respect to such plan
2 which have been referred to committee shall be the
3 same as if no resolution from the other House with
4 respect to such plan had been received; but

5 (2) on any vote on final passage of a resolution
6 of the first House with respect to such plan the resolu-
7 tion from the other House with respect to such plan
8 shall be automatically substituted for the resolution of
9 the first House.

81ST CONGRESS
1ST Session

H. R. 2361

[Report No. 23]

A BILL

To provide for the reorganization of Government agencies, and for other purposes.

By Mr. DAWSON

FEBRUARY 7, 1949

Referred to the Committee on Expenditures in the Executive Departments

FEBRUARY 7, 1949

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Assistant pharmacist (equivalent to the Army rank of first lieutenant), effective date of acceptance

Richard R. Sherwood

Junior assistant pharmacists (equivalent to the Army rank of second lieutenant), effective date of acceptance

Leo Klugman

Paul H. Honda

Paul R. McDaniel, Jr.

Senior assistant nurse officer (equivalent to the Army rank of captain), effective date of acceptance

Mildred Jones

Assistant nurse officer (equivalent to the Army rank of first lieutenant), effective date of acceptance

Henrietta J. LeGrand Hilda A. Nivala

Kathryn M. Meyer Ruth S. Fitzgerald

Edith W. Campbell Mary L. Hasty

COAST AND GEODETIC SURVEY

TO BE ENSIGNS, EFFECTIVE FROM INDICATED DATES

Dewey G. Rushford, October 8, 1948.

Gordon D. Scott, October 21, 1948.

UNITED STATES COAST GUARD

TO BE CAPTAINS, TO RANK FROM DATES INDICATED

George F. Hicks, March 20, 1945.

Alexander L. Ford, March 20, 1945.

Stephen H. Evans, March 20, 1945.

John A. Glynn, March 20, 1945.

John E. Fairbank, March 20, 1945.

TO BE COMMANDERS, TO RANK FROM DATES INDICATED

John S. Merriman, Jr., October 20, 1942.

William H. Snyder, November 18, 1942.

Peter J. Smenton, January 1, 1944.

Thomas R. Midtlyng, January 1, 1944.

John B. Oren, January 1, 1944.

Harry E. Davis, Jr., January 1, 1944.

Joseph Howe, January 1, 1944.

George W. Holtzman, January 1, 1944.

William W. Childress, January 1, 1944.

John H. Wagline, January 1, 1944.

John J. Hutson, Jr., January 1, 1944.

TO BE LIEUTENANT COMMANDERS, TO RANK FROM DATES INDICATED

Warren L. David, October 1, 1942.

Victor E. Bakanas, May 15, 1943.

TO BE LIEUTENANTS, TO RANK FROM DATES INDICATED

Robert S. McLendon, December 31, 1942.

Vincent J. Cass, May 15, 1943.

TO BE LIEUTENANTS (JUNIOR GRADE), TO RANK FROM DATES INDICATED

Robert O. Bracken, December 31, 1942.

Charles Wayne, April 1, 1944.

Robert H. Roberts, May 1, 1945.

Albert G. Jones, November 15, 1946.

Donby J. Mathieu, November 15, 1946.

Donald E. Ullery, January 1, 1947.

Robert N. Rea, January 1, 1947.

John G. Milosic, January 15, 1947.

Theodore L. Roberge, January 15, 1947.

Francis Twarog, January 15, 1947.

Thurston L. Willis, January 15, 1947.

Bernard B. Wood, January 15, 1947.

Samuel W. Branin, January 15, 1947.

Jack E. Stewart, January 15, 1947.

Norman P. Weinert, January 15, 1947.

James A. Emery, January 15, 1947.

Paul L. Anderson, February 1, 1947.

William C. Carber, February 1, 1947.

Rubin E. Young, Jr., February 1, 1947.

Fred J. Michelson, February 1, 1947.

Richard C. Green, February 1, 1947.

James B. Reynolds, February 1, 1947.

Wesley J. Quamme, February 1, 1947.

William C. Akers, February 1, 1947.

Philip S. Bell, February 1, 1947.

Donald D. Davison, February 1, 1947.

Ivan C. McLean, February 1, 1947.

Edward G. Taylor, February 1, 1947.

Louis E. Price, February 1, 1947.

Franklin F. Bohlk, February 1, 1947.

Samuel H. Yearta, August 22, 1948.

Russell W. Lentner, August 22, 1948.

William H. Yates, August 22, 1948.

TO BE ENSIGNS, TO RANK FROM DATES INDICATED

William C. Wallace, January 15, 1947.

Henry G. Cassel, January 15, 1947.

Harley B. Shank, January 15, 1947.

Raymond M. Miller, January 15, 1947.

Charles A. Haley, January 15, 1947.

Everett B. Kopp, January 15, 1947.

Philip G. Ledoux, January 15, 1947.

TO BE PROFESSOR, WITH RANK OF LIEUTENANT, TO RANK FROM OCTOBER 1, 1942

Robert E. Reed-Hill.

TO BE LIEUTENANT COMMANDERS, TO RANK FROM DATES INDICATED

Elvin C. Hawley, June 5, 1943.

Emery H. Joyce, June 5, 1943.

Frank McLaughlin, June 14, 1943.

Allan V. Falkenberg, June 24, 1943.

Russel O. Foster, July 7, 1943.

Frank T. Burtle, July 29, 1943.

Arnold J. Larsen, December 1, 1943.

Lionel H. DeSanty, December 1, 1943.

TO BE LIEUTENANTS, TO RANK FROM DATES INDICATED

David H. Douglas, May 15, 1943.

Theron H. Gato, May 15, 1943.

Paul F. Foye, July 1, 1944.

TO BE LIEUTENANTS (JUNIOR GRADE), TO RANK FROM DATES INDICATED

George A. Philbrick, March 1, 1944.

Henry W. Stinson, Jr., March 1, 1944.

John W. Day, January 1, 1947.

Thomas G. Condon, January 1, 1947.

Maurice W. Tiehen, January 1, 1947.

Leo M. Bracken, January 1, 1947.

Paul S. Hofmeister, January 1, 1947.

Albert P. Hartt, Jr., January 1, 1947.

George E. Tooloose, January 1, 1947.

William E. Sale, January 1, 1947.

Andrew B. Christensen, January 1, 1947.

Harold A. French, August 22, 1948.

Sam Piscichio, September 15, 1948.

TO BE LIEUTENANTS (JUNIOR GRADE), DATE OF RANK TO BE COMPUTED UPON EXECUTION OF OATH

Walter J. Felton

Harry G. Kosky

Richard W. Bagnell

Edward P. Sawyer

Leonard A. Wardlaw, Jr.

Leonard J. Knight, Jr.

Jerry Komorech

Enoch A. Poulter

Douglas D. Vander Meer

Charles D. Zettler

Frank A. Klafs

Hugh C. McCaffrey

Owen B. Smith

Eric G. Grundy

Merle L. Harbourn

Harold L. Appleton

Gordon Crymes

William A. McCreary

Francis J. Bell

TO BE ENSIGNS, DATE OF RANK TO BE COMPUTED UPON EXECUTION OF OATH

Robert E. Ogin

Roger J. Dahlby

Nelson W. Allen

TO BE PROFESSOR (TEMPORARY), WITH RANK OF LIEUTENANT, TO RANK FROM JULY 1, 1944

Raymond J. Perry

TO BE LIEUTENANT COMMANDER, UNITED STATES COAST GUARD, TO RANK FROM JUNE 3, 1943

Carl A. Anderson

House of Representatives

MONDAY, FEBRUARY 7, 1949

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Love divine that stoops to human needs, hear us when we call. We come to Thee with our cares, our problems, and our limitations.

We ask for wisdom and for grace that this day may be fruitful with good works for our country. Our land cannot fulfill its great mission without reverence for those institutions which make secure its perpetuity—reverence for authority, for law, for Thy church of whatever name, and for the rights of the individual.

Do Thou regard our prayer, as we pray in our Redeemer's name. Amen.

THE JOURNAL

The Journal of the proceedings of Thursday, February 3, 1949, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on February 3, 1949, the President approved and signed a joint resolution of the House of the following title:

H. J. Res. 88. Joint resolution extending the time for free entry of certain articles imported to promote international good will.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, its enrolling clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 170. An act to authorize the transfer of certain property to the Secretary of the Interior, and for other purposes.

EXTENSION OF REMARKS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. ROONEY] be permitted to extend his remarks in the RECORD and include the text of the sermon of Francis Cardinal Spellman of the archdiocese of New York delivered on February 6.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

[The matter referred to appears in the Appendix.]

REORGANIZATION OF GOVERNMENT AGENCIES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it may be in order today to consider the bill (H. R. 2361) to provide for the reorganization of Government agencies, and for other purposes,

that all points of order against the bill or any of the provisions contained therein be waived, and that there shall be not to exceed 2 hours of debate, to be equally divided and controlled by the chairman of the Committee on Expenditures in the Executive Departments and the ranking minority member of that committee.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. HALLECK. Reserving the right to object, Mr. Speaker, does that include also that the bill will be read under the 5-minute rule?

Mr. McCORMACK. Yes.

Mr. HALLECK. It will be read under the 5-minute rule in the regular way?

Mr. McCORMACK. Yes.

Mr. HALLECK. That was not included in the unanimous-consent request.

Mr. McCORMACK. That automatically follows. My unanimous-consent request provided for 2 hours of general debate. Of course, after that, if it is necessary, consideration under the 5-minute rule will follow.

Mr. HALLECK. I am not going to object to the request, and I trust there is no objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Expenditures in the Executive Departments may sit during the session of the House.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, does the gentleman mean today, or when?

Mr. McCORMACK. It is for today. It is just to permit a brief meeting to report out formally the bill for the consideration of which unanimous consent was just obtained.

Mr. MARTIN of Massachusetts. If they have a bill on the floor they ought to be here.

Mr. McCORMACK. It is just so they can meet and report the bill out officially.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DISASTER RELIEF

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

FEBRUARY 3, 1949.

The Honorable the SPEAKER,
House of Representatives.

SIR: Pursuant to the authority heretofore granted, the Clerk of the House received from the Secretary of the Senate on February 3, 1949, the engrossed resolution (H. J. Res. 136) entitled "Joint resolution making a further appropriation for disaster relief, and for other purposes," attested by the Secretary as having been passed by the Senate on February 3, 1949.

Very truly yours,

RALPH R. ROBERTS,

Clerk of the House of Representatives.

ENROLLED JOINT RESOLUTION SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had on February 3, 1949, examined and found truly enrolled a joint resolution of the House of the following title:

H. J. Res. 136. Joint resolution making a further appropriation for disaster relief, and for other purposes.

The SPEAKER. The Chair desires to announce that pursuant to the authority granted him on February 3, 1949, he did on that day sign the following enrolled House joint resolution:

H. J. Res. 136. Joint resolution making a further appropriation for disaster relief, and for other purposes.

PERMISSION TO ADDRESS THE HOUSE

Mr. O'TOOLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. O'TOOLE]?

There was no objection.

TRIAL OF CARDINAL MINDSZENTY

Mr. O'TOOLE. Mr. Speaker, the events that have transpired during the past few days at the anti-Christian trials in Hungary should awaken the whole world to the true menace of communism.

While we all have great compassion for His Eminence, the cardinal, and his codefendants, at the same time we realize that something bigger than any individual or group of individuals is being drawn through the Red furnace. Here is the final struggle. Here it will be decided whether the conduct of men and nations in the future will be governed by a civilization that traces its beginnings to the Ten Commandments and the Sermon on the Mount or whether the governing philosophy shall spring from irreligion, paganism, materialism, and lust.

Mankind must decide once and for all whether the pernicious doctrine of Marx and Lenin with its godless philosophy rejecting the dignity of man is to be the rule of conduct for the world. If we are to accept this immorality, then civilization is through and the anti-Christ has

Mr. LYLE. Mr. Speaker, I ask unanimous consent that all Members who so desire may have five legislative days to extend their remarks in the Record in connection with House Concurrent Resolution 22.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

EXTENSION OF REMARKS

Mr. MCGREGOR asked and was given permission to extend his remarks in the Record and include a newspaper article.

AIR COORDINATING COMMITTEE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 59)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed with illustrations:

To the Congress of the United States:

I transmit herewith for the information and consideration of the Congress the Report of the Air Coordinating Committee for the calendar year 1948.

HARRY S. TRUMAN.

THE WHITE HOUSE, February 7, 1949.

COMMITTEE ON FOREIGN AFFAIRS

Mr. RICHARDS. Mr. Speaker, on behalf of the chairman of the Committee on Interstate and Foreign Commerce, I ask unanimous consent that that committee may have permission to sit during general debate for the balance of this week while the House is in session.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

REORGANIZATION OF GOVERNMENT AGENCIES

Mr. DAWSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2361) providing for the reorganization of Government agencies, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Illinois [Mr. DAWSON].

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 2361, with Mr. HARRIS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under unanimous consent agreement, debate is limited to 2 hours, one-half of which will be under the control of the gentleman from Illinois [Mr. DAWSON] and the other half under the control of the gentleman from Michigan [Mr. HOFFMAN].

Mr. DAWSON. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, ladies and gentlemen, Members of the House of Representatives, it becomes my duty and respon-

sibility as chairman of the Committee on Expenditures in the Executive Departments to present at this time for your consideration H. R. 2361, a bill for the reorganization of Government agencies, and for other purposes. I consider it a high privilege to stand before you in this capacity first, because of the nature and the composition of the committee of which it is my good fortune to be the chairman. To my mind there is no more hard-working committee in all this Congress. As I think of its membership, with the gentleman from Massachusetts [Mr. MCCORMACK], our majority leader, a member thereof, with the gentleman from Michigan [Mr. HOFFMAN], the ranking minority member a member thereof, with the gentleman from Indiana [Mr. HALLECK] a member thereof, I say I think it is a high privilege to present the report of such a committee. Your committee has worked long and hard on this bill and has heard many witnesses. We believe we have brought to you a bill calculated to render to the people of this country one of the greatest services this Congress could afford, the reorganization of its Government agencies.

In the last 20 years, our Government has grown from about 350 agencies to over 1,800 bureaus and agencies. The number of employees has increased from five-hundred-and-seventy-thousand-odd to over 2,100,000. Expenses have grown from \$3,600,000,000 to more than \$42,000,000,000.

We have heard many speakers on the floor of this House during the last few years talk about the vast cost of our Government to the taxpayers of this country. When you gaze at the condition of the executive department, you can appreciate that a realigning of its agencies, the cutting down of its personnel, and the streamlining of its business, can and will result in a great saving of millions of dollars to the taxpayers.

This plan of reorganization gives the President of the United States the power to take the initiative in bringing out a reorganization plan is nothing new. This type of reorganization has been tried in the past and has been responsible for some great gains. In bringing this bill to you, we are profiting by the experiences and the trials and errors of former bills. We believe that if this bill is adopted by the Congress and becomes a law it will be one of the greatest steps forward we have promulgated in the history of the Congress.

There is at present no law empowering the President to take the initiative in the reorganization of the executive departments. That authorization expired in 1948. So if we mean business let us get busy and give him the power to give us a reorganization plan in time for it to be considered and acted upon by the time the Congress adjourns. We ought to pass this legislation as speedily as possible.

There are certain provisions in this bill that are not found in other bills. I think the best way to present it to you, since we have had the Reorganization Act of 1945, is to call to your attention some of the differences.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. DAWSON. I yield to the gentleman from Indiana.

Mr. HALLECK. First of all, I want to thank the gentleman for the nice things he has said about the committee, including me, and to say here and now that I am happy to be on that committee and serving with the gentleman from Illinois.

The gentleman has referred to the fact that if this legislation is adopted we ought to be able to proceed expeditiously with the reorganization of the Government. I agree with the gentleman in that regard. I am wondering if the gentleman would agree with me that with the basic work that has been done by the so-called Hoover Commission, with the enactment of this legislation, and with the fact that the Congress is now Democratic, as is the Chief Executive, this job ought to be accomplished in the next 2 years.

Mr. DAWSON. I think we ought to get reorganization plans submitted to this Congress within a very short time.

Further, I wish to say concerning our committee that there has never at any time been any question of partisan politics raised. Every member of the committee went about the job of attending to the business of the Congress as that job presented itself to him.

I refer now to page 7 of the report, setting out the major differences from the Reorganization Act of 1945. By and large the bill follows the 1945 act which, in turn, was largely based on the 1935 act. The major differences between this legislation and the 1945 legislation are as follows: First, that the legislation here proposed would be permanent, while the 1945 act operated for a limited time. In that connection, I want to refer to the hearings. On page 6 of the hearings there is found an excerpt from the message from the President of the United States to the Congress. That excerpt is as follows:

First, the reorganization legislation should be permanent rather than temporary. While the work of the Commission on Organization of the Executive Branch of the Government makes such legislation especially timely and essential, the improvement of the organization of the Government is a continuing and never-ending process. Government is a dynamic institution. Its administrative structure cannot be static. As new programs are established and old programs change in character and scope to meet the needs of the Nation, the organization of the executive branch must be adjusted to fit its changing tasks.

The impracticability of solving many problems of organization by the regular legislative process has been frankly recognized for many years by congressional leaders.

On page 137 of the hearings we have this statement made by Hon. Herbert Hoover, former President of the United States:

Mr. HOOVER. My opinion is that it ought to be permanent legislation because the executive branch of the Government is a constantly changing body. We need no better proof of that than the growth in the number of agencies from 350 to 1,800. I would expect for a constant shift in the focus of government, giving emphasis to first one type of action and then to another, with the development of new phases of such action, all of which must be constantly refitted into the whole pattern of the executive branch.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. DAWSON. I am happy to yield to my distinguished colleague.

Mr. CRAWFORD. Is it the purpose of this bill to create the over-all machinery under which the Hoover report may be worked into the affairs of government?

Mr. DAWSON. You are right. So that that part of the Hoover report—for which we are spending so much money—where the need is shown, may be presented to the Congress by the President. So that the President will have the power to incorporate it into his plan and present it to the Congress.

Mr. CRAWFORD. Without this kind of implementation the Hoover report could not be used?

Mr. DAWSON. It could not be used in the light of the experiences of the past.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. DAWSON. I am happy to yield to my distinguished colleague.

Mr. VORYS. Under the saving provisions of the bill on page 9 it is provided that any statute or regulation shall have the same effect as if a reorganization act had not been made except by or under authority of law by the abolition of a function.

My question is this: Could there be any change in the substantive law of the country by the abolition of a function, or by the abolition of a function would it merely mean a change in who might be required to carry out the law? It is not quite clear to me what abolition of a function means. As I understood it, this Reorganization Act is not intended to change the laws, except the organization which might enforce the law. Can the gentleman answer that question?

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. DAWSON. I yield.

Mr. LANHAM. I think there is no question but that the act does not permit the President to submit a plan that changes the basic law. But the abolishment of a function means that where two organizations have been discharging the same function, if that function is given to one of the organizations it may be abolished as far as the other organization is concerned.

Mr. VORYS. Mr. Chairman, will the gentleman yield further?

Mr. DAWSON. I yield.

Mr. VORYS. For instance, if two or three agencies were authorized to make loans, the combining of those functions by the abolishment of the function for a number of the agencies could not repeal the authority to make loans? Am I correct?

Mr. LANHAM. Will the gentleman yield further?

Mr. DAWSON. I yield.

Mr. LANHAM. The gentleman is correct.

Mr. VORYS. So that we are not changing any substantive law in voting for this?

Mr. LANHAM. Not at all.

Mr. VORYS. I thank the gentleman.

Mr. DAWSON. I would like to say further on that point of the permanency

of the legislation, this bill is supported by the views of the only two people in the world who have had experience on the subject. The present President has had the experience of his past term. The former President had the experience of his term in office. We all know from history that no man was more interested in reorganizing the agencies in the executive department than was the former President of the United States, Mr. Hoover. So on the question of the permanency of the legislation, we have the testimony, in no undecided terms, of the only two men who have had actual experience. It gives the incoming President the opportunity and the power, as he becomes experienced, to suggest to the Congress any legislation combining agencies and bureaus, or for the reorganization of departments, for the good of the country that presents itself to him.

No. 2, reading from page 7 of the report:

No executive agency is exempted under this bill, while under the 1945 act a number of agencies were exempted. It is felt that exemptions, even of major regulatory commissions, would seriously hinder the reorganization effort. Many of the regulatory commissions have nonregulatory functions which appropriately might be assigned to a different type of agency.

That takes care of what has been one of the great faults in past legislation. The exempting of so many agencies and the inclusion in the bill itself of language which was not capable of clear interpretation prevented the Executive from initiating many reforms that were needed because, in his judgment, if made, it would be the occasion of many lawsuits which might continue through the years.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. DAWSON. Mr. Chairman, I yield myself five additional minutes.

On page 7 of the hearings we have this statement in the President's message:

Second, the new reorganization act should be comprehensive in scope; no agency or function of the executive branch should be exempted from its operation. Such exemptions prevent the President and the Congress from deriving the full benefit of the reorganization-plan procedure, primarily by precluding action on major organizational problems. A seemingly limited exemption may in fact render an entire needed reorganization affecting numerous agencies and functions wholly impractical. The proper protection against the possibility of unwise reorganization lies, not in the statutory exemption from the reorganization-plan procedure, but in the authority of Congress to reject any such plan by simple majority vote of both Houses.

That quotation is taken from the President's message.

On page 135 we have the testimony of Mr. Hoover on the same subject:

I might add to this statement what I proposed that I have given here, that I strongly support the idea that there should be no exceptions in this legislation. The reasons for that view are that I do not know any method by which the Congress can make a differentiation of executive and quasi-legislative and quasi-judicial functions in these agencies. It might be possible

to arrive at such a definition with regard to them, but we have to bear in mind that there are such functions—quasi-judicial and quasi-legislative—in practically every department of the Government. We immediately get into difficulties if we try to make definitions. On the other hand, it would seem to me that Congress has an ample check on any action that would undermine those judicial and legislative functions when the President makes his proposed plans.

So upon that change in the bill you have the testimony without question and without equivocation of the only two men who have had opportunity to try out these reorganization plans.

Continuing with the major differences from the Reorganization Act of 1945, I quote from the report of the committee:

(3) This bill will permit a type of reorganization not authorized under the 1945 act—the granting to any officer of authority to delegate any of his functions. The main purpose is to make it possible for top officials to delegate routine functions which are vested in them by law in such manner as to prevent delegation.

(4) The bill omits the provision of the 1945 act relating to quasi judicial and quasi legislative functions of independent agencies. The omission of this provision is in line with the recommendation of the President and the Commission on Organization of the Executive Branch of the Government.

(5) The bill permits submission of reorganization plans with respect to the government of the District of Columbia.

(6) The bill grants broader authority to create offices made necessary by a reorganization. Under the 1945 act the new offices which could be created were only those of "heads" and "assistant heads" of agencies. The change will permit a plan to provide for the appropriate type of officer in each case.

(7) The bill differs from the 1945 act with respect to the limitation on the rate of compensation applicable to offices created by a reorganization plan.

This makes no change in salaries but merely enables the President to name salaries in compliance with executive law.

We have had the 1945 act, we have had the 1939 act. The bill under consideration differs from them only in the manner that I have stated here in talking over the matter at this time.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. DAWSON. I yield.

Mr. MADDEN. I wish to compliment the gentleman from Illinois, the chairman of the Expenditures Committee, on the outstanding presentation he has made of this legislation. In bringing in this H. R. 2361 the members of the Committee on Expenditures in the Executive Departments are indeed entitled to a great deal of commendation; particularly by reason of the complicated and complex nature of the legislation. It is a subject that should have been presented to the Congress before this session. I hope the Congress will reward this committee and also the taxpayers of the Nation by passing this legislation. I again wish to compliment the chairman of the committee for bringing in this bill.

Mr. DAWSON. I thank the gentleman for his remarks.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield myself 10 minutes.

(Mr. HOFFMAN of Michigan asked and was given permission to revise and extend his remarks.)

Mr. HOFFMAN of Michigan. Mr. Chairman, as the gentleman from Illinois [Mr. DAWSON] correctly stated, this bill came out of the committee without any previous political discussion. No one has greater respect for the sincerity and honesty of former President Hoover than have I. Beyond question, in recommending this legislation Mr. Hoover was expressing his own ideas, being sincere and honest. And the same may be said of our present President. They both have assumed that every other President, every President who might succeed Mr. Truman, would have the same degree of sincerity and honesty.

Without in any way being personal, it might be suggested to the House that some day we might get a Wallace with a Wallace Senate or a Wallace House. The results that might then come out of this legislation if left in its present form might not only be surprising but astounding to the people of the country.

There is no question but that a reorganization of the executive department is needed. It may be assumed that the failure of previous Congresses and of the present Congress up to this time to enact legislation similar to this is due—and please note this—either to the lack of ability, the lack of information, or the lack of courage on the part of the Members of Congress. Something has always been lacking, because everyone concedes that there must be a reorganization.

Starting with the premise that to serve the people we must have reorganization, and assuming that the Congress will not act if left to itself, where do we go from there? I am in favor of everything this proposed legislation seeks to do, but I want it done in a constitutional way. I do not want to surrender the powers of the Congress to accomplish something that is vitally needed, unless it is necessary to save our national security. Unless our national security is presently threatened I cannot support the proposed legislation unless we can preserve the legislative powers of the Congress.

This act, as previous reorganization acts, provides that the President of the United States may submit a plan to the Congress, that upon the expiration of 60 consecutive legislative days the plan so submitted to the Congress shall become the law of the land unless within the 60 days both Houses of the Congress have vetoed it.

This plan not only ignores the constitutional provision that the legislative power is vested in the Congress, but goes farther than that. It reverses the legislative procedure. This plan provides that the President shall submit, and his ideas and his suggestions become the law of the land unless each House within 60 days overrules, vetoes, if you please, what he sends down here. Now, is there any necessity for that? None at all. But, say the advocates of this bill, the Congress will not act if left to itself. Well, assume that to be true. It is not necessary that we leave the Congress to itself to refuse to act.

When this bill comes before the House under the 5-minute rule an amendment will be proposed which will state—and it

follows the language of the bill on page 7, section 6—that the plan submitted by the President must be acted upon by both Houses of Congress within 60 days, and that to become the law of the land it must receive the sanction of the two Houses of Congress.

Is there any reason why, having been elected as the people's representatives, having taken the oath here before the Speaker when we were sworn that we would uphold the provisions of the Constitution, that we should not follow that procedure?

It is quite true that section 3 of article II provides that the President shall annually advise the Congress on the state of the Union and that he may on any occasion recommend to the Congress the measures which he considers necessary or good for the national welfare. But, the Constitution also says in the very first sentence of section 1 of article I that the legislative power is vested in the Congress which shall consist of a House of Representatives and a Senate.

Section 7 states in no uncertain terms that no bill shall go to the President until it has received a majority of the votes of the Members of each House.

Now, my colleagues, I ask you: Are we to follow through and perform the duty which our constituents impose upon us, and which is marked out sentence by sentence in the Constitution itself? Are we to delegate our legislative power to the President reserving only to ourselves the right of veto?

If there was a great national emergency threatening immediately the security of our Nation we might waive the constitutional provisions on the ground of necessity.

Assuming that, in order to preserve our constitutional form of government, we must overcome this waste, this inefficiency, it is not necessary that we do it in an unconstitutional manner.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Missouri.

Mr. SHORT. Under the provisions of the pending legislation a bare majority of the two Houses could reject within 60 days after receiving the President's proposal any proposal that he might make, but once the proposal is accepted and it becomes law, then it would require a two-thirds majority in both Houses in order to overcome the President's veto.

Mr. HOFFMAN of Michigan. That is true and is just an added reason why we should amend the bill, but do it now. There is not a schoolboy who has ever taken a look at the Constitution, if you ask him the question: "How does a bill become law when a bill is presented to the Congress?" but what would say: "Well, it must pass the House of Representatives, it must have a majority vote in the Senate," would he not? Sure. Then it goes to the President and he may veto it, he may pocket it, and then the procedure of two-thirds follows, and it becomes the law of the land.

I want to go along with this legislation. We need the reorganization. The Congress, as stated before, and I repeat

it, has heretofore lacked either the ability, the courage, or the inclination to do the job. It has not been done. I am willing to have the President send down any plan he may wish—and I do not care whether you make any exemptions in this bill of this or that department, or agency. I care nothing about that. I am not so particularly concerned about whether the legislation is limited or permanent. All that I ask is that we do not delegate the power specified in the Constitution as belonging exclusively to the Congress to the Executive or any other grantee.

Mr. DAWSON. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. HOLIFIELD].

(Mr. HOLIFIELD asked and was given permission to revise and extend his remarks.)

Mr. HOLIFIELD. Mr. Chairman, the gentleman from Michigan [Mr. HOFFMAN], whom I respect highly, has stated that Congress lacks the ability, the courage, or the inclination to do the job of reorganization. While I do not care to endorse that statement, I do say that in 160 years of historical record Congress has failed to take affirmative action for the type of reorganization which all of us, including the gentleman from Michigan, admit is desirable in the executive branch. So notwithstanding any technical assertions that Congress should do the job, the fact remains that Congress has not done the job, and every attempt on the part of Congress to take affirmative action to do a good job, a complete job of reorganization of the executive branch, has miserably failed.

Ex-President Hoover, in appearing before our committee, pointed out the reason for that. He said there are 1,800 agencies in the executive branch, and he pointed out that it is clearly impossible for Congress, with all of its other duties, to go into the highly technical and complicated structure of every department and agency of Government and do the job of reorganization that has been found to be necessary.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Indiana.

Mr. HALLECK. I think it should be pointed out, as distinguished from the present situation, that when Mr. Hoover submitted those recommendations Congress was not of his political faith. Of course, that situation does not prevail now, as far as the Chief Executive and Congress are concerned.

Mr. HOLIFIELD. I do not see where that has any bearing on the record of 160 years of the failure of Congress to do a reorganization job, nor do I see where it has anything to do with the size of the job that needs to be done.

We all realize that reorganization plans are desirable. We realize that Congress has not been able to do it by affirmative action. So I consider that it is highly constitutional for the Congress to delegate within certain limits the job of reorganization. We merely say to the President, "Avail yourself of the tremendous value of the 24 task-force re-

ports to the Hoover Commission, and whatever subsequent reports and recommendations the Hoover Commission will make based on those 24 task-force reports. Then, after considering all this material, the procuring of which was endorsed by the Eightieth Congress when we set up the so-called Hoover Commission. The Hoover Commission has been in session now for over 18 months and has spent over \$1,000,000, with over 300 of the finest technicians in Government that we could procure, sending up to the Congress plans, not one plan, but several plans." Then, I say we will have a firm base upon which a worth-while reorganization of the executive branch of Government can take place.

When the President sends up a plan the Congress then has 60 days in which to consider the plan. If we find out that there is something bad about the plan we have in title 2 of this bill a highly privileged resolution which can be offered on the floor by any Member of the Congress who is in favor of a resolution to disapprove the plan. Any Member of Congress can arise under high privilege and ask that a vote be taken on a particular plan and provision is made for 1 hour of debate on that question. Any committee that is affected by this plan, let us say that it is a plan with reference to the Department of Agriculture, immediately the Committee on Agriculture is on guard concerning this plan to reorganize the Department of Agriculture. Thus the Committee on Agriculture can consider that plan. It can ask for hearings. The hearings can be had in the Committee on Executive Expenditures. The chairman or any member of the Committee on Agriculture can come before that committee and present its case. Then, if the committee itself refuses to bring forward a resolution of disapproval, any member of the Committee on Agriculture can bring to the floor of the House for the consideration of the House a concurrent resolution of disapproval and the House at that time can hear the arguments pro and con and vote it up or down.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. HOFFMAN of Michigan. It is quite true, I assume, as the gentleman said, that any Member of the House can arise and propose the disapproval of a plan submitted. Assuming that the House does disapprove, unless we can get the other body to go along, the proposal still becomes the law of the land, does it not?

Mr. HOLIFIELD. That is true.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. McCORMACK. If we pass a bill in this body it has to go to the other body and they have to consider it. If they do not take it up, what can we do? Furthermore, this provision that any Member can call it up as a matter of high privilege within 10 days after the reorganization plan comes up will apply to the other body the same as it applies to the House.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. HOFFMAN of Michigan. But the difference is that the reorganization plan still becomes the law of the land without the action of one body while in the case of a bill it must have the approval of both Houses to become law. You gentlemen realize the difference.

Mr. HOLIFIELD. I would like to point out, however, that that approval is a majority approval. In the case of a bill which has been vetoed by the President and sent down here, it takes two-thirds vote of the House to override the veto. It seems to me this is a very well-balanced arrangement, that only a majority of each House is necessary to disapprove a plan. I point out to you that if a plan is so highly undesirable, certainly the Congress of the United States can at that time exercise its responsibility and by a majority vote of each House disapprove such a plan. I point to the record. Such a thing did occur six times out of seven in the Eightieth Congress.

Mr. McCORMACK. Mr. Chairman, if the gentleman would yield, that particular provision is nothing new in a reorganization bill, and it was in the one which expired in April.

Mr. HOLIFIELD. Exactly so. That is the one I just referred to. Seven reorganization plans were sent to the House by the President under the Reorganization Act of 1945, and six of them were disapproved by majority action of both Houses. There is no use bringing up a straw man here and then knocking it over. We have the best bill that has ever been presented to the Congress, so far as reorganization is concerned. It gives the President, for the first time in history, the power to go ahead and use this great mass of information compiled by the Hoover Commission, and bring before the Congress plans for our approval or disapproval. Plans which we cannot originate in the House with all of the business that we have to attend to and with all of the logrolling and pressure from groups which are concerned with every facet of every bureau of the great sprawling bureaucracy of government.

Mr. MORRIS. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. MORRIS. Assuming that this bill should become law, the Congress could later repeal the law if it decided it should do so, could it not?

Mr. HOLIFIELD. Exactly. Any part of this plan which becomes law can be nullified. I point out that in the Reorganization Act of 1932 it gave to President Roosevelt great powers, and that later on, in 1933, such action was taken and a limitation was placed upon his power.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. McCORMACK. Another outstanding contribution in the progress of the history of this legislation—and I want to congratulate the members of the committee on both sides—is the fact that it is permanent legislation, recognizing that this is a problem not for a matter of a year or 2 or 3 or 4 years, but one that is constantly arising, and that we, the majority party—I speak for myself—

have complete confidence. We may disagree with the President of the United States, but I have complete confidence in whoever may be the President of the United States, recognizing the serious responsibility of that office, and that any man in that office would carry on to the highest degree humanly possible in the exercise of his best judgment in the interest of the country. I think it is a marked contribution in the progress of legislation of this kind.

Mr. HOLIFIELD. I thank the gentleman for his contribution.

The Congress has delegated to the President broad authority to reorganize the executive branch of the Government five times in the past 17 years. The bill which we present to you today is the sixth presentation of a reorganization bill within the past 17 years. Under all of these reorganization acts, Congress has delegated to the President power to reorganize, on the grounds of economy and efficiency, the sprawling, complicated structure of Government in the executive departments. We have delegated this authority because we have been forced to come to the conclusion that Congress has neither the time nor the ability for unified action to successfully accomplish a reorganization in the executive branch. This principle of lack of ability to execute a real reorganization has been well established and we are setting no precedent today.

The administration of the laws which Congress has passed has become more complicated and burdensome as bureau after bureau has been established and expanded, and as the personnel of the executive branch has multiplied from a few thousand to nearly 2,000,000 governmental employees.

The reorganization acts which Congress has passed have varied in some degree over the years, but one prime purpose has been contained in each of these acts: That purpose has been to delegate to the President authority to do a job which we in the Congress admit that we cannot do. Congress, however, has been fearful in the delegation of this authority, that such delegation would be abused. The Congress has in the past, also, yielded to its fears, and in some instances has been influenced by the tremendous pressures which have been brought on Congress to exempt certain agencies of Government completely from the President's delegated power to reorganize.

In the 1939 Reorganization Act, we exempted 21 agencies of the executive branch from Presidential reorganization; in the 1945 Reorganization Act, we exempted all agencies from reorganization. All students of government recognize that these exemptions have crippled the President and have tied his hands in his effort to set up an economical and efficient structure of Government in the executive departments.

Experts in governmental organization have assured us, after careful and objective analysis that these exemptions have prevented, to a lesser or greater extent, the main purpose of a reorganization act.

The present Committee on Expenditures in the Executive Departments has

had the same experience as previous committees charged with the responsibility of reporting a reorganization act. Witnesses have appeared before our committee from outside the Congress, and from inside the Congress, making pleas for the exemptions of special departments of Government. We have listened to their pleas, and, in some instances, our personal feelings have been sympathetic to their arguments, and to their positions. We have also had before our committee, some very notable witnesses, who have insisted that this time the Congress give to the President the power to reorganize the executive branch of Government and to send to the Congress his plan of reorganization, in order that we may curb the sprawling, overlapping, duplicating bureaus of Government which have grown Topsylike in the executive departments of our Government.

President Truman, in his state of the Union message, and in his special letter to the committee, has requested that we give him complete power to present to the Congress, efficient plans of reorganization, which will bring the economy into our Government functions that public opinion is clamoring for. He has asked that we make no exemptions in the pending bill.

The only living ex-President of the United States, the Honorable Herbert Hoover, has also appeared before our committee, and has asked this committee to report a bill without exemptions. He has testified that it is only in this way that a real reorganization can be accomplished. The testimony of ex-President Herbert Hoover bears additional weight at this time because, as chairman of the so-called Hoover commission, which was instituted during the Eightieth Congress for the express purpose of studying our Government structure and reporting back to the Congress, is now ready to start making its report to the President.

I understand that 24 separate task forces have made their reports to the Hoover commission. The Hoover commission will base their report to the President on these 24 task-forces' reports. President Truman will, in turn, no doubt, base the reorganization plans which he will send to Congress on the reports of the Hoover commission. In the establishment of the Hoover commission, Congress acknowledged the weight of public opinion on this pressing problem. Approximately 18 months' time has been consumed and upward of a million dollars spent on objective analyses of the different departments of Government. Following these objective analyses, the task forces have made their reports to the commission. The commission, as you know, is completely bipartisan in its approach to this great problem. If we are to cash in on the value of the most extensive study which has ever been made of our sprawling Federal bureaucracy, now is the time.

The Committee on Expenditures in the Executive Departments has presented to this Congress a good bill—a bill which we believe will give the President the power to proceed in an orderly fashion—prepare the reorganization

plans to present to the Congress for approval or disapproval.

Today's bill does not contain the exemption of any executive department or agency of Government. We have, however, recognized the great concern felt by many Members of the Congress in changes in certain very important executive departments. We have, therefore, prepared what we believe is a fair compromise approach between those who want no exemption and those who want exemptions.

We have provided that any plan affecting the National Defense Establishment, which everyone admits needs reorganization, be sent to the Congress in a single reorganization plan. This will enable the Congress to review such a plan without having to consider the merits or demerits of any accompanying reorganization plan. We can then, in the exercise of our judgment, either accept or reject such a plan. This provision, we believe, will meet the fears and the concern which many Members have expressed regarding changes in the status of the Marine Corps or in the civil function of the Army engineers or the Navy air arm or other related matters to our national defense.

We have extended this same separate treatment to three other agencies of the executive branch: The Board of Governors of the Federal Reserve System, the Interstate Commerce Commission, and the Securities and Exchange Commission.

In the opinion of the committee, these three great bureaus can be considered to be the vital keystones to our financial and business structure. Upon them rests the economic welfare of our Nation. We, therefore, believe that these three agencies should have separate treatment. Many other agencies of Government are vitally important and there will be many who believe that these should also be considered separately. However, it was the opinion of the committee that the functions of the other agencies were not so widespread nor as important as the three bureaus or agencies named, and it was also believed that in many cases more than one agency could be handled by the Congress in the same reorganization plan.

Mr. RICH. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Chairman, the committee has worked diligently and certainly with expedition in bringing this matter to the floor. I think it is obvious to all of us that this is basic legislation and must be enacted if the proposals that we hope will be forthcoming for the reorganization of the Government may be adopted.

Of course, those proposals that have been the subject of study by the Hoover Commission for months and months are the direct result of action taken by the Eightieth Congress in setting up that commission, recognizing that basically a job had to be done.

I assume, of course, that this legislation will be passed and that it will become law in some final form that will be effective.

May I say to my friends on the right side of the aisle and my friends on my side of the aisle that, as these recommendations of the President begin to come up, we are going to find that we have a great responsibility before us. Certainly, to those of you who hold the majority power, the matter is up to you, and may I say the baby is going to be on your doorstep. Certainly those of us who think that we need reorganization badly are going to look to you to meet the issue and the challenge with courage and with wisdom and with fair consideration to the people of the country who pay the bills.

I have asked for this time particularly because there is one thing that has disturbed me. It has disturbed me ever since these matters of reorganization to be initiated by the executive branch of the Government have been before the Congress. That has to do with the way they may affect the great quasi-judicial and quasi-legislative agencies of the Government. By that I refer to such agencies as the Interstate Commerce Commission, the Federal Trade Commission, the Civil Aeronautics Board, the United States Tariff Commission, the Railroad Retirement Board, the Civil Functions of the Army Engineers, and a number of others that could be mentioned. Those agencies are primarily, in my view, the creatures of the Congress of the United States. Theirs is the responsibility to administer in the public welfare legislation enacted by the Congress.

The members of those commissions are appointed for a term. The members of the commissions do not change when the administration changes. Since they are appointed for a term they go on. There is a continuity of their operations. They deal with the very lifeblood of the country; with the economy of the country. If there is, for instance, in the Interstate Commerce Commission a continuity of pattern and determination about the rates involved in transportation then, of course, the people of the country may know and understand from time to time what those operations are to be and what the action ought to be. Certainly, it seems to me that it would be disastrous indeed if we were to bring about a situation under which the quasi-legislative and quasi-judicial functions of this great agency should be brought into the executive branch of the Government in such manner that their operations become political instead of nonpolitical.

Take, for instance, the matter of the Federal Communications Commission. You may say that this is a completely far-fetched proposition, but it could happen. Suppose that the functions of the Federal Communications Commission were transferred to the Department of Commerce; you might have a situation under which radio licenses issued to stations might, on a pure political basis, be changed. People build up great businesses on the issuance of a license. They are to have that license as long as they use it in the public interest. And that is the value and the merit and the function of such a commission. As I say, it would be inconceivable to my mind that any such result would be brought about, but

certainly there are some in the country and I am afraid some in the Government who would argue that even the quasi-legislative and quasi-judicial functions of those great agencies should be brought within the realm of the executive branch of the Government and, hence, subjected to political control. In the previous reorganizations that we have considered some of those agencies have been specifically exempted. It is argued, and I can understand with what force, that it is difficult in respect to any agency to distinguish the executive functions from the legislative or judicial functions. I recognize that and certainly I, for one, want to write the kind of basic legislation that will make effective reorganization possible. But the fact that there was concern about what might happen to these agencies under this system by which in effect, unless the provision is amended, legislation is written by the executive branch and one branch of the Congress, not two, there should be some safeguard so some of these agencies in the past have been exempted. In the act passed in 1945 there were certain exemptions. I think probably it has been pretty well agreed on the advice of Mr. Hoover and others that such exemptions should be kept out of this bill. It is said that no President would think of transferring to the executive branch of the Government these great legislative and judicial functions performed by these agencies. But it has been urged, and I find myself in that school of thought, that the pattern that is provided in this legislation under which the reorganization plans regarding four such independent agencies must come up separately and independent of the plans effecting any other reorganization might well be extended to some of these other agencies.

This does not mean that reorganization plans in respect to those agencies cannot be presented here by the President to be acted upon in whatever manner may be finally prescribed in the House. It simply would require that that plan as it affected one of these great independent agencies should come up here standing on its own bottom. You understand that if this legislation is adopted and a reorganization proposal comes up it might have five or six titles. One of them may be bad; all the rest of them may be good, but you cannot pick the good apples out of the barrel and leave the bad ones; you have got to take the whole barrel or leave the whole barrel.

I cannot see how it really would interfere with the effective functioning of this legislation to extend to some of these other agencies the same protection that is contained in the bill on page 7 in subsection (b).

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from California.

Mr. HOLIFIELD. If a situation like the gentleman said should occur, where five different plans are treated within the same reorganization plan, four of them being good and one of them being bad in the judgment of Congress, would it not be possible for the Congress to take affirmative action to nullify that part of

the plan later on after the whole plan had been passed or accepted as law? Could not the Congress exercise its responsibility by taking affirmative action as to that particular agency?

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. RICH. Mr. Chairman, I yield the gentleman from Indiana two additional minutes.

Mr. HALLECK. Yes; I may say to the gentleman from California, I suppose if a plan came up here with five titles, that might be done. Of course, it could not be the Interstate Commerce Commission because that is included in the four. But take the case of the Civil Aeronautics Board which regulates air carriers like the Interstate Commerce Commission regulates surface carriers. We could adopt the whole thing, then turn around and start legislation through the bill to reestablish the independence of the Civil Aeronautics Authority. But, may I say to the gentleman from California, it seems to me that that begs the question. First of all, such action would be subject to a Presidential veto. The damage done in the meantime might be irreparable. As I say, I want above everything else to have effective legislation that will work. I would like to be optimistic about what the final results are going to be. We have had this sort of scheme on our books for quite awhile and not a lot has happened. Yet I am still optimistic about it. At the same time, I cannot remove completely from my mind the responsibility that I believe is mine to try to see to it that there is a scintilla of safeguard of the independence for these great quasi-legislation and quasi-judicial agencies. Many of them are bipartisan.

Why is that? Because it is expected that in the administration of the basic law passed by the Congress, in which minority and majority combined, there will be expression of the minority viewpoint, whatever that may be, so far as that particular agency is concerned and to avoid political control. Of course, to transfer it to the executive branch of the Government would entirely do away with the whole concept of these independent agencies as that concept has developed through the years.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. DAWSON. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

(Mr. McCORMACK asked and was given permission to revise and extend his remarks.)

Mr. McCORMACK. Mr. Chairman, the Committee on Expenditures in the Executive Departments, the Democratic and Republican members alike, has approached the consideration of this question from a very fine angle. There are only two differences of opinion, one expressed by the distinguished gentleman from Michigan [Mr. HOFFMAN] and the other by the distinguished gentleman from Indiana [Mr. HALLECK].

In relation to the observations made by the gentleman from Indiana, may I refresh the memory of my colleagues of the furore that developed in 1940 when

the Civil Aeronautics Authority was put under the Commerce Department, though the board was expressly made independent of the Secretary. It was put in there for budgetary reasons. Instead of having that and a number of other agencies floating around and making up their own budgets, the Bureau of the Budget thought it advisable to put them in with certain other departments, yet maintain an independent status. Some Members of Congress honestly expressed the fear that the independence of the CAA would be taken away, that politics would enter into the matter, that planes would crash on account of lack of safety rules, that the pilots would operate the planes through the skies in a negligent manner. Yet none of that has happened. The independence of the agency still exists. It is in the Department of Commerce for budgetary purposes and mainly for that purpose.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Indiana.

Mr. HALLECK. Of course, in that transfer the Congress had already effected a separation of the administrative functions from the quasi-legislative and quasi-judicial function, and the only part of the operation that was transferred to the Commerce Department was the Office of the Administrator which did include the executive functions.

Mr. McCORMACK. Yes, that is true, but you remember back 8 years ago the fears that were expressed as to the effect, and they have not materialized.

Mr. HALLECK. Will the gentleman indulge me in one further observation?

Mr. McCORMACK. Certainly.

Mr. HALLECK. I have talked to some of the folks who are running that branch of the Government, and they are not quite sure whether the Secretary of Commerce is running it or the Civil Aeronautics Administrator, so I do not know what we finally accomplished as a result of it. Maybe we just put a few more people on, but I am not quarreling with the essential fact the gentleman has stated.

Mr. McCORMACK. Now, we have 1,800 agencies in the Federal Government; most of them executive, one distinctly legislative, the General Accounting Office. Then we have these independent agencies.

Former President Hoover made an able presentation, and both he and President Truman are in agreement in relation to this bill; as a matter of fact, they both felt there should not be any exceptions at all or, rather, even any exceptions in the nature of a separate reorganization plan. President Hoover—and he speaks with the voice of experience—has testified that there are over 30 agencies engaged in lending money and making guaranties and in insurance activities. There are 23 activities engaged in major construction work competing against each other for labor and material. They are scattered over 11 departments of the Government. There are 10 agencies dealing with major transportation questions; that is, not connected with regulatory functions, that are scattered through 8 departments and independent

agencies. There is the question of the agencies reporting to the President. He had three lists before him. One list showed 65 such agencies. Another computed 94 such agencies. Another computed them as 101 agencies reporting to the President. As the former President said, "The discrepancy in the lists is a difference of opinion as to how much responsibility the President may have in each case. Most of them exercise some executive function." The gentleman from Indiana presents a very interesting question and I am very glad he did. I have some observations to make which, I think that, as realists and legislators, we cannot escape considering. We must face the realization of what has developed in the growth of so-called administrative law. At the outset of our country we were an agricultural nation. While the framers of the Constitution, as well as the later Congresses amending the Constitution, recognized the necessity of constitutional flexibility to meet changing conditions, particularly in the powers delegated to the Central Government under the general welfare clause, and the power to regulate interstate commerce, it is quite probable that they never contemplated the growth of our country into the great industrial Nation it is today. In order to try and meet the perplexing and trying problems arising from our intense economic system, which is a combination of our industry and agriculture, Congress, through necessity to try and meet the complicated situation, brought into being, which is now highly developed and will undoubtedly increase as necessity demands, a system through the establishment of many agencies, most of them independent, with quasi legislative power, authorizing them to enter into the field of detailed regulatory legislation as well as delegating to them quasi judicial powers to function effectively in carrying out the intent of the Congress, Congress resorted to the device of establishing independent agencies in the executive departments. That is where they are located. The Interstate Commerce Commission was the first instance, but the increase since its establishment has been rapid. The legislation that created them usually consisted of a declaration of the policy of the Congress, the promulgation of broad rules to govern the acts of individuals and corporations in a particular field, and a commission established with the authority to implement and enforce the policies and principles stated by the Congress. The theory is that the Congress did not advocate or even delegate its legislative functions, but it exercised that function of broad, general declarations leaving the application of its policy in a particular instance to an agency of its own creation.

The rules and regulations can only be set aside by an act of Congress or by decisions of the court, if any rule in the latter case goes beyond the authority granted to the agency. Until such action takes place, they have the force of law.

Such agencies have broad quasi-judicial powers in their given fields, with a limited review by the courts. Such agencies were born of the necessity that faced

the Congress in meeting the important public questions, the recognition from a practical angle by the Congress of its inability to pass detailed regulatory legislation and also conduct necessary quasi-judicial hearings. That question of necessity arose in accomplishing its legislative purpose and objective.

But these agencies also have functions that are purely executive. In addition, the heads or members of the boards or commissions are appointed by the President and confirmed by the Senate, the same as strictly executive agencies. Their executive functions have increased tremendously. No matter what the intent of the Congress was in their creation, that they were intended as arms of the legislative branch, the very necessities of the operations of these agencies, the ever-growing questions that arise in their field, the large increase in the number of employees as a result thereof, and the many other demands made upon them, have brought about a sharp change in the character of these agencies and their operations and the original intent of the Congress in creating them.

Confining myself to the question of this bill, which is a reorganization bill, we must face the practical situation. There is no reason why these agencies should not be the subject of reorganization consideration. The very growth of their jurisdiction and duties, they being not responsible directly to the people, really makes them a fourth department of the Government. That is what they constitute. That is what it has developed into. We never intended that, but they have really developed into a fourth department of the Government. As they are now constituted, this raises some very serious questions as to whether the Congress should continue to consider them as arms of Congress or parts of the executive branch.

This question is not directly involved in this bill, but the fact does remain that if we exclude them or provide for a separate reorganization in so many agencies, we are not facing the realities of the situation. To provide in the case of every agency that a separate reorganization plan must be submitted by the President would seriously cripple the effectiveness of any reorganization of the executive branch. There are too many such agencies in existence.

I will admit that if I had my way we would not have made the exemptions we did, but this bill is the best bill that has ever been reported out of any committee. The first reorganization bill not so many years ago had 21 exemptions. The next one had 12 or 14 exemptions. In this bill there are no exemptions. We only provide that in the case of three agencies and one department a separate reorganization plan shall be submitted to the Congress.

These independent agencies have developed for all practical purposes into a fourth department of the Government, and the very serious implications arising therefrom cannot be overlooked by you and me as legislators. They cross the lines of the legislative, executive and judicial branches of government. They include all of the jurisdiction of the leg-

islative, executive and judicial branches which were expressly established by the Constitution. Congress, through necessity, created them. We know, as experienced legislators, that Congress cannot, through necessity, successfully reorganize them. The very fact that we are considering this bill and the fact that Congress has in the past enacted into law reorganization bills is a frank admission of the inability of Congress to effectively reorganize the executive branch of the government, not to mention the so-called independent agencies. The many complicated questions involved make that very difficult from a practical angle. I think we have the courage. There is no question about it. But just think of the vast scope of the executive branch of the government and think of these independent agencies and how they are interrelated. That is a very delicate and technical subject which Congress, from a practical angle, finds it difficult to approach. I cannot conceive of any President in reorganizing the independent agencies doing so in a manner which would affect the intent of Congress insofar as quasi-legislative and quasi-judicial functions are concerned, so that such agencies retain either an independent or an autonomous position—either independent as now, or autonomous within some other agency or department. Furthermore, we possess under this bill the right to refuse to approve any reorganization plans submitted to us. The gentleman from Indiana has done a very constructive piece of work in bringing this up. I make these observations for your consideration. Our independent agencies have gone far beyond the intent of Congress. They constitute, in fact, a fourth department of government. We will not reorganize them. This is the only way it can be done, by conferring upon the President the power. That will bring them back under one responsible head at least and not take them further away from the people than either the President or you or me as Members of Congress.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. RIEHLMAN].

Mr. RIEHLMAN. Mr. Chairman, it is my intention to vote for this legislation as it was reported from the Committee on Expenditures, of which I am a member. Ever since I have been in Congress reorganization of the executive branch of our Government has been a subject of keen interest to me. With the Reorganization Act of 1939, and again in 1945, there has been no recommendations of magnitude which would lend toward more efficient and economical operation of the executive branch of our Government. As at the present time, there is a tremendous overlapping and duplication of the functions of many of the agencies and bureaus of our Government, I cite just a few: Lending Government funds, 29 agencies; acquisition on land, 24; wildlife preservation, 16; welfare matters, 28; gathering statistics,

65. Is there any wonder that there is a lack of efficiency and economy and over-all direction with so many agencies dealing with the same subjects? If we are ever going to curtail the unnecessary expansion of our Government, we must start now to consolidate and abolish those bureaus and agencies which are not necessary to the service of our people.

I feel that the President should be given the authority at this time to make whatever recommendations that are necessary for the reorganization of the executive branch of our Government with all agencies and bureaus coming within the scope of this plan. It would, however, exclude the General Accounting Office and the courts of the District of Columbia. I am in wholehearted agreement with the testimony given before our committee by Comptroller General Lindsay Warren. I questioned him as follows:

Mr. Warren, I have been greatly impressed today with the sincerity and the earnestness of your presentation with regard to this legislation. I followed it through carefully and I believe it is your earnest feeling that, if this legislation is enacted, there will be greater efficiency in the departments of our Government, and also there should be a tremendous amount of economy.

Mr. WARREN. I certainly do think that, Mr. RIEHLMAN. I would like to say this—and I weigh my words when I say it: If this fails, then we might as well close up the shop for good regarding hopes of ever reducing the size of this Government or eliminating waste and extravagance and useless functions. I say that very sincerely. I think this is just about the last chance. It is almost the last chance I will have coming up here on it.

Mr. Warren is not alone speaking as Comptroller General but with the background as a Member of Congress for many years.

Mr. Hoover, appearing before the committee, made this remark:

This is a step in the right direction and a step which should and must be taken without delay.

I feel with this authority granted to the President by the Congress, there should be no reason why he cannot carry out the recommendations set forth in his letter to Congress asking for this authority. Therefore, if proper recommendations are not made, there will be no question as to where the responsibility can be placed.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. WILLIAM L. PFEIFFER].

Mr. WILLIAM L. PFEIFFER. Mr. Chairman, at this time I should like to state that I deem it an honor and a privilege to serve on the Committee on Expenditures in the Executive Departments under the chairmanship of that able and distinguished gentleman from Illinois [Mr. DAWSON].

I am in favor of a reorganization of Government agencies, and I hope this proposed legislation will provide the efficiency and economy that we think it will.

I recognize that there are no exemptions for any agencies in this proposed legislation, but I would be remiss in my duties if I did not point out to the Mem-

bers of this House that I have received a great many letters and telegrams from my constituents urging that the Corps of Engineers, Department of the Army, be exempt from reorganization under this legislation.

Since George Washington's time the civil functions have been historically performed by this highly trained, non-political branch of the Army, on a non-partisan and very efficient basis. They have performed with great credit in peacetime the river and harbor work especially where it involves the big multiple-purpose projects, such as navigation, reclamation, power, flood control, and in my district, particularly, bounded by two of the Great Lakes—Erie and Ontario—containing the Niagara River, and many small harbors, they have been of immeasurable assistance to the area. These peacetime duties have contributed greatly to the success of our war efforts in the last two great world wars.

I would hate to see the functions now performed by the Corps transferred to some other Federal agency, which may have tremendous political influence by virtue of a Secretary having Cabinet status, and to have these duties performed on the basis of politics rather than of high professional competence.

I hope, however, that the proposed legislation which provides that a reorganization plan providing for reorganization affecting the National Military Establishment will have to be submitted to Congress in a so-called "one package" plan will afford this great Corps the protection it so richly deserves.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield myself 30 seconds to congratulate the gentleman who just left the Well of the House upon the acceptance by the now majority of the proposition offered by Mr. Hoover so many years ago, and upon their final belated recognition of his great services to our country.

Mr. Chairman, I now yield 5 minutes to the gentleman from Indiana [Mr. HARVEY].

(Mr. HARVEY asked and was given permission to revise and extend his remarks.)

Mr. HARVEY. Mr. Chairman, my purpose in addressing the House is to support this resolution and I do commend it to the House. I think it should pass. I say I support this resolution—I am supporting the principle of the resolution. It was my own experience at the State level to serve in the capacity of attempting to help reorganize the State government. The general assembly made two or three rather futile attempts and finally passed a bill which in effect delegated that authority to the budget committee, of which I happened to be chairman at that time. I know the blood, sweat and tears that came out of that particular type of effort. I say that this effort which is now before us is certainly a most laudable one because in comparison the need for reorganization at the Federal level is far, far greater than any that might be in existence at the State level.

For the last 20 years we have needed this. There have been a number of attempts made to reorganize the execu-

tive, most of which have achieved little general benefit, not only so far as the people are concerned but the efficiency of those who are empowered within the Government itself.

The Congress has not accomplished this very necessary task, and evidently will not. The present plan seems to be the very best hope to do so. While it does not provide the usual approach for the enactment of legislation, in that the President inaugurates the resolution and the Congress either votes it up or down, nevertheless the plan has already been used. There remains some doubt in the minds of Members of the House, particularly those who are constitutional lawyers, as to the constitutionality of this act. Not being an attorney, I am not attempting to pass on it. I do say, however, that the positive approach would seem the most logical one, but in the event that it is not adopted, certainly I can say that this approach does provide all the necessary safeguards it would seem to me. For the final power is invested in the representatives of the people.

I want to congratulate the chairman of the committee, who I think has made a very valiant attempt to try to get a good resolution before the House. This has not been an easy task.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. HARVEY. I yield.

Mr. JENSEN. I want to say I am very happy the gentleman from Indiana is a member of this committee because of the long years of experience he has had with this kind of problem. There is no limitation on the number of Government employees who can be employed at any particular time in this bill, is there? There is no provision at all to limit Federal employees?

Mr. HARVEY. That is right.

Mr. JENSEN. Does not the gentleman think that is one of the greatest weaknesses of the bill? Does not the gentleman feel that there should be a limitation placed in this resolution or in some bill which would provide that no more than so many Federal employees could be on the pay roll at any one time? I am afraid that this legislation will permit them to shift employees from one department, agency, or bureau of the Government to another, and we will get no reduction in the administrative personnel cost to the Government.

Mr. HARVEY. I thank the gentleman. And I wish to say that his point is well taken. However, due to his long experience in the field of appropriations, I would suggest to him that primarily the responsibility for reducing Government employees should be resolved in the Committee on Appropriations.

Mr. JENSEN. I think the gentleman is right, except that I think that sort of thing could be placed in this bill. I wish to say to the gentleman that the subcommittee on the Interior Department in the Appropriations Committee, of which I was chairman last year, limited the amount of funds which could be spent by the Bureau of Reclamation to \$48,000,000.

Mr. HARVEY. May I congratulate the gentleman.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. HARVEY. I may say that Mr. Lindsay Warren, our present Comptroller General, who testified before our committee and who was a Member of the Congress during the time when the 1939 Act was placed on the books, said that it was defeated by the great army of "butters"; that everybody who came and testified before the committee said, "We are for this legislation, but," and then proceeded to ask for the exemption of some particular department. By the time the bill was through the Congress, two-thirds of those affected by the bill had sneaked out from under, so that when you start making exemptions in a bill of this nature you will nullify its benefits.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. HARVEY. I yield.

Mr. HOLIFIELD. Is it not true that it is impossible to write a specific limitation into a bill, in view of the fact that government is not static; it is dynamic and a constantly changing function of service to the people, and by the very fact that Congress itself creates new services and new functions, it would be impossible to prescribe a definite limitation of personnel?

Mr. HARVEY. I might say to the gentleman that it was perhaps best described by the gentleman from Illinois as a fluid condition.

I shall conclude briefly by saying that I feel that the responsibility under this act will be placed directly on the President. I hope he will meet the obligation under the privilege we are giving him with no strings attached to it, and that he will perform this much-needed task for the improvement, efficiency, and economy of our Government.

Mr. DAWSON. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. LANHAM].

(Mr. LANHAM asked and was given permission to revise and extend his remarks.)

Mr. LANHAM. Mr. Chairman, in discussing this bill I wish to do so under three headings: First, the necessity for reorganization; second, the plan or method of reorganization; and, third, to touch briefly on the constitutionality of the proposed legislation. Under the latter head I need not take very much of the time of the Committee because I believe it is rather late to be raising the question of the right of Congress to delegate legislative authority. We have been doing it for the past hundred years, and so long as we set up proper standards to guide the person to whom the delegation of authority is made it is constitutional.

I am extending in the RECORD at this point a detailed argument for the constitutionality of this bill.

—CONSTITUTIONALITY OF THE REORGANIZATION BILL

Some question was raised at the hearings on H. R. 1569—Eighty-first Con-

gress—as to the constitutionality of turning over to the Executive the legislative function involved in reorganization of the executive branch. The bill proposes authority to transfer, consolidate, or abolish agencies and/or functions of the Federal establishment, the President's orders or plans for such purpose to become effective only after they have lain before Congress in session for 60 days without the adoption by the two Houses of a concurrent resolution of disapproval.

From one point of view there is no delegation at all. That is, as suggested at the hearings, there is merely a reversal of the legislative process, the Executive acting first, and the Congress completing the legislative action by declining to negate the propositions. This is not, however, tenable, because the legislative process requires—Constitution, article I, 7-2—that both Houses concur separately on each enactment; under the plan of the present bill a reorganization plan will become law notwithstanding one House may vote its outright disapproval.

Rather, it seems more in order to regard the plans as legislation by the Executive, under authority delegated in the present bill, subject, as a safeguard, to veto if both houses disapprove during the 60-day waiting period. Is such delegation authorized?

It is far too late to raise a question whether the legislative function may be delegated. What was sanctioned by over a hundred years of decisions—*The Brig Aurora* (7 Cr. 382 (1813)), *Field v. Clark* (143 U. S. 649 (1892)), *Intermountain Rate cases* (234 U. S. 476 (1914))—of the Supreme Court was not intended to be overturned by the two decisions in the NRA cases 14 years ago—*Panama Refining Co. v. Ryan* (293, U. S. 388), *Schechter Poultry Corp. v. United States* (295 U. S. 495). The latter gave direction, but did not call a halt. That this, on reflection, is obvious, is demonstrated by the more recent delegations of legislative power now fully sustained on topics and subjects far more essentially legislative in their nature and incidence, for example, devaluation of the dollar, tariff adjustments by reciprocal trade agreements, price fixing by OPA, rent control, as still in effect, and many others—*Yakus v. U. S.* (321 U. S. 414, 64 S. Ct. 660), *Bowles v. Willingham* (321 U. S. 503, 64 S. Ct. 641). What was given point by the NRA cases was the requirement that Congress fulfill its function by delineating the policies to be followed, demarking the guides for Executive action, and detailing the standards which the President must follow. It is believed the first five sections of the bill comply with these requirements admirably. They set forth the aims to be sought, the methods to be used, the objectives to be reached to effect the aims, and the limits and restraints which may not be encroached upon. Thus while it has been objected that the bill proposes to abdicate the legislative power of the House to the President and to the Senate—since the joint approval of the latter could effectuate a plan turned down by the House—it seems more correct to say the House is now, by the adoption of this bill, exercising its constitutional function and giving

force in advance to whatever plans of the Executive are promulgated under its authority—and, more importantly, pursuant to its provisions—and are not disapproved by the Senate.

Two authorities seem to be so closely in point as themselves to be determinative. While the concurrent resolution veto was called for by the 1939 and 1945 acts, no tests were possible under the former because Congress approved each plan affirmatively by what amounted to a new statute in each case—Fifth United States Code 133 s-u-v—and no court cases on the question have been noted under the 1945 act.

But in two cases the constitutional issue was directly raised under the previous but quite similar Reorganization Act of March 3, 1933. It is notable that that act was much broader than the present bill, in that there were no exempt agencies or single-plan method called for. There was less detail in the way of guides and standards, and while the Executive orders were required to lay before Congress for 60 days, there was no provision for a congressional veto other than by the enactment of new legislation. Certain sections of the Government-wide reorganization effected under that law—Executive Order No. 6166 of June 10, 1933—were questioned upon the basis that the delegation of authority was unwarranted under the Constitution. The case came up before a statutory three-judge court, composed of Circuit Judge Chase, District Judge Bondy, and District Judge Robert P. Patterson. The reorganization was fully sustained in the decision of the court, the opinion stating, Congress "elected to have the President investigate and decide what should be done in this regard in the furtherance of efficiency and economy and then adopted his decision. The result was to abolish a board whose existence was dependent upon the will of Congress and to delegate to the Department of Commerce the same powers and duties the board had possessed. This seems in accord with correct standards as to delegation of authority to act within proper limits prescribed by Congress"—*Isbrandtsen-Moller Co., Inc. v. United States et al.* (1936), 14 F. Supp. 407.

That opinion was adopted and given full approval by a similar three-judge court in the District of Columbia, composed of Appeals Justice Groner, District Judge Wheat, and District Judge Proctor, in *Swayne & Hoyt v. United States* (18 F. Supp. 25).

While the two cases were later affirmed in the Supreme Court, the decisions did not turn on this issue because in the meantime Congress had given express sanction to the reorganization by means of later legislation. However, in one subsequent case the Supreme Court referred with apparent approval to the method of reorganization contained in the 1939 act with its provisions, as here, for the plans to become effective unless a concurrent resolution disapprove them—*Sibbach v. Wilson & Co.* ((1941) 312 U. S. 1, 15).

Also, it is worth while to be noted that the method of reorganization pro-

posed by the present bill to be readopted has been fully approved by the commentators on this subject. See, for example, a symposium on Federal executive reorganization in volume 40, *American Political Science Review*, at page 1152, and the article entitled "The Legislative Veto and the Reorganization Act of 1939," by Millett and Rogers in volume 1, *Public Administration Review*, No. 176, 1941. It is suggested also, as a most significant and persuasive authority, that the Congress itself has already fully examined the constitutionality of this identical procedure, and after extended debate has approved and adopted it. See seriatim, the debates in the House and the Senate on the 1945 Reorganization Act.

As to the necessity for the legislation it seems that it is hardly necessary that I say very much. We are all, I believe, agreed that there ought to be reorganization in principle, as somebody said before our committee; and then somebody suggested that we must in this case rise above principle and exempt certain agencies. We all agree in principle that there should be reorganization; the trouble is that every agency of the Government wants to be exempted. Reorganization is needed not only for efficiency and economy but that we may give to the Executive some real power. He has a responsibility to execute the laws of the land, but we have so hedged him about that it is sometimes very difficult for him to do so. I saw the statement credited to him in the newspapers a few days ago to the effect that it had gotten to the point where he had to kiss some of these officials on both cheeks before he could get them to do what was their plain duty; kissing them on one cheek was not enough. I am sure some of you have had the experience that I have, that you almost feel you have got to kiss some other portion of their anatomy to get any consideration. This situation demands correction.

As to the necessity for economy in government, I was struck by what Mr. Hoover said in his testimony. Somebody asked him about taxation and the raising of more revenue for the Government. He said that we had reached the saturation point in taxation; and I am inclined to agree with him. We cannot cut down our appropriations for national defense. We are embarking, or we say we are going to embark, upon a program of additional service to the people which will cost money. There is but one place left, then, where we can economize, and that is in the actual operation of the machinery of our Government, and here is a chance for us to do it not only in principle but actually. How shall it be done? The gentleman from Michigan [Mr. HOFFMAN], proposes that instead of doing it this way we do it some other way. Everyone agrees that for the past 150 years it has been impossible or impractical for the Congress itself to do this reorganizing job. We have not done it and there is nothing to indicate that we are in any better condition to do it now than we were then. The gentlemen from Michigan says that we are overturning our constitutional procedure, and I have great respect for the gentleman's views

on the constitutionality of this question.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield for a question?

Mr. LANHAM. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. I have the greatest respect for the gentleman's judgment. Will he tell us why in his opinion the Congress has not done it?

Mr. LANHAM. Yes, I will tell the gentleman why. It is because, as Mr. Lindsay Warren said, of the ganging up process.

Mr. HOFFMAN of Michigan. I agree with the gentleman and we have been complacent enough to go along.

Mr. LANHAM. That is right. The departments have ganged up on us and we cannot do the job. I do not say the President will do it; however I think he will try to do the job. He will certainly have no excuse if he does not do it.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, the primary object of the legislation before the House today is efficiency and economy in government and, goodness only knows, every Member of Congress realizes that that should take place.

There are two things about this legislation that I do not like. The first is that there is no termination date in this bill. It seems to me there ought to be a time limit. There should be 2 or 3 years within which to act and then we ought to stop because we should not be subject to a President bringing in legislation whenever he wants to regardless of who the President might be when he thinks there ought to be a change in government. I have seen Presidents who wanted to change the Government a whole lot when I did not think it ought to be changed. Sometimes they get enough enthusiasm worked up for a particular thing that it goes through and after it is passed we are sorry it happened. Many of you have experienced those changes yourself.

I listened very intently to the testimony of Lindsay Warren, Comptroller General of the United States, in which he made his recommendations. There is no one in Government I hold in higher respect than I do Lindsay Warren. He knows more about the operation of Government, in my opinion, than any living man, at least since I have been a Member of Congress. It is his job to study our Government. He has vision and he makes recommendations as he sees them for the best interest of Government economy and efficiency.

If you will turn to page 37 of the hearings you will see there the examples of overlapping and duplication which occur in Government in the following table:

Agencies	
Lending Government funds.....	29
Insuring deposits and loans.....	3
Acquisition of land.....	34
Wildlife preservation.....	16
Government construction.....	10
Credit and finance.....	9
Home and community planning.....	12
Welfare matters.....	28

Agencies	
Forestry matters.....	14
Examination of banks.....	4
Gathering statistics.....	65

When you think of 65 agencies of the Government sending out requests to the business people of this country asking for information it is no wonder that the business people of the country are sick and tired of making out reports. It is time to stop it.

When we have all of these duplications in Government certainly there is need for consolidation, a need for efficiency. We want to get the operation of our Government down to the point where the affairs of Government are conducted without so much red tape, without so much cost. When you look back to 1932 you will find that it cost \$4,600,000,000 annually to run the Government, while today it is costing \$41,858,000,000. In other words, in 1932 the per capita cost of running our Government was \$37.49 while today the per capita cost has risen to \$282.82. The thing has just gone up by leaps and bounds. It is wrong. I tried to stop it but was unable to do so.

Do you know that in 1932, when we had a President who said, "I am going to consolidate the bureaus and eliminate waste in Government" that there were only about 300 agencies of Government, and now we have 1,800 agencies of Government. Why, the thing has grown in leaps and bounds. I will never forget that as long as I live, and I do not want to see it happen again. Then we had Mr. Hoover and his committee, and on that committee there was the gentleman from Ohio [Mr. BROWN] and the gentleman from Alabama, Mr. Manasco, who were helping to make the recommendations that are going to go to the President of the United States. Now we have men of that caliber trying to make recommendations to the President, and he should bring something in here that will simplify Government. Of course the President does not have to follow out the recommendations made by the Hoover Committee. But, I feel this way: The thing has gone so far we are headed for the rocks, and while this legislation is not the way I want to do it, I am willing to accept it, because I know it is about as good as you can get. If you get something that is about as good as you can get, and you think it is going to try to stop wrongs in Government, you better grab hold of that or else you are going to swamp or drown in Government red tape and confusion, and I am not ready to drown yet. So I will accept this as the best legislation you can get at this time.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. DAWSON. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. BONNER].

Mr. BONNER. Mr. Chairman, it has been an exceedingly fine experience to serve on the Committee on Expenditures in the Executive Departments in the House of Representatives. It has been my good fortune to have had an opportunity to observe the operations of Congress here in the Capitol for 24 years; 16 years

of this time from outside, from the gallery, and from around in the corridors as a secretary, and for 8 years or a little better as a Member of the House. I have watched the expansion of the Federal Government. I have watched what we call and what we term the bureaucrats and the "brass" coming in and taking charge and looking over the tops of their glasses and telling the secretary from your office this, that, or the other, and then when they report and you go down they tell you this, that, or the other. So, why, Mr. Chairman, are they so untouchable? This Congress was created with, and this House and the other branch of the Congress are delegated with, power to carry out the public business. Every 2 years the Membership of this House and every 6 years the Membership in the other body are called on to give an account of their stewardship. The public, the voters if you please, are the check and balance of Congress. But here someone rises up and says, "Oh, you must not touch this agency; you must not touch that agency." They are sort of holy affairs. They are created for a special and a specific purpose. They are delegated to do this, that, or the other. Well, I do not think, Mr. Chairman, that any agency, any private business, any Government, or any other functions should run without a balance wheel and in this legislation we propose to add the balance wheel to the Government. We propose in this legislation to set forth a form by which they should be audited and checked and to come in and give an account of themselves, and if they are found superfluous, then to be amalgamated with some other agency so that the machinery can go on in a better fashion and not require so much oiling. In the bill we have under consideration there are only three controversial matters.

Since I have become a member of the committee I have spent quite a bit of time reading the debates on this subject in the CONGRESSIONAL RECORDS back through the years. I recall the debate in 1939 when this floor was packed and jammed, when the galleries were packed and jammed, and when the corridors were full. The able gentleman from New York [Mr. WADSWORTH] participated in the debate, that went on for days and days. The former Speaker of the House, the gentleman from Massachusetts [Mr. MARTIN] participated in the debate. The present Speaker of the House participated in the debate. The gentleman from Mississippi [Mr. WHITTINGTON] was a great participant, as was the gentleman from Georgia [Mr. COX].

It is very noticeable and apparent here today that this question has been debated so much, and every one of the three phases that are in controversy here today have been discussed so much, that the seasoned Members of this House and the country as a whole have come to the conclusion that there is nothing further to say about the matter and that further debate is unnecessary; that this Congress should go forward with a program similar to this program, which is the best that can be had, this program which has been

thrashed out by the committee, the Members on both sides agreeing to present the matter to the floor of the House, reserving in the legislation that we are passing today a part of the responsibility in reorganizing the Government. The part is that in effecting the law we reserve the right here in the House to say whether it shall be done or shall not be done as proposed by the Chief Executive.

Mr. Chairman, I would not enter into debate with any constitutional lawyer here on the floor of this House, but it has been interesting to me to read about the constitutional question which was debated in 1939, in 1945, and in other years. I think some of the gentleman on the floor here today participated in those debates. I believe those who participated in the debate in 1939 and those who read that debate will agree that the provision laid down in this proposed legislation, reserving the right in this body to say whether the proposal shall be in effect, is not the constitutional question. The constitutional question is taken care of in the law we propose to pass here today, and it has so been discussed in connection with the act of 1939 and other acts, and evidently by the large favorable vote sustained.

I think it is beyond a question of doubt that with the passage of this bill we will have an opportunity to reject or accept such proposals as will come to the Congress. Whether they are money saving or not is not the question. The question is whether the Government will function better under the proposals as sent down or as the Government is functioning today.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. REES].

Mr. REES. Mr. Chairman, the legislation under consideration, according to its sponsors, is to give authority to the President for reorganization of executive agencies, and further, according to the sponsors of this bill, it is hoped that by reason thereof the executive department may run more efficiently and with more economy.

It is at least interesting to observe that the duplication and multiplication of effort, as well as waste and extravagance, have come about largely through administrative practices, and because agencies that have been created have taken power and authority under themselves that was never intended by Congress. So you are saying today that even though Congress did not intend to provide all of the duplication and multiplication of effort in the Government, it takes an act of Congress to correct it. Independent agencies have of course extended and expanded far beyond the intent of Congress.

Those of you who have served in Congress during recent years know that I have put forth a special effort to bring about more efficiency and less extravagance in the Government, and have tried to deal with the question of duplication and multiplication of effort that has spread itself far and wide throughout our agencies.

I submitted to this House on two occasions legislation to deal in a constructive

manner with this problem. My legislation would have provided for an arm of Congress that would constantly study the problems we are discussing today and would make recommendations to Congress as to how and wherein the Government could be made to operate more efficiently and economically.

Examples of some of the overlapping and duplication of effort are set forth in the committee hearings in support of this legislation. For example, there are 29 agencies dealing with lending of Government funds. There were 34 agencies during the war dealing with acquisition of land. There are 16 agencies dealing with wildlife preservation, 10 with Government instructions. Home community planning seems to be a popular thing to do. We have 12 agencies dealing with that problem. There are 28 agencies that deal with welfare matters, and 14 agencies with forestry. There are 65 agencies gathering statistics. It is no wonder that people are confused.

I think one of the best authorities on this subject matter, and one who has given the problem a great deal of study, and one who has tried to deal with it realistically and in a practical manner, is our Comptroller General, Mr. Lindsay Warren. Let me quote briefly some of the things he had to say, and you find his statements in the hearings:

This unsegregated, sprawling crop of Government functions and functionaries cannot hope to operate efficiently or to do well the job the taxpayers are paying for unless someone can assume the burden of putting like functions together, to make only one or two bureaus grow where dozens grew before. What is more, reorganizing is not just reshuffling; it is also abolishing agencies and functions. A tree expected to grow must be carefully pruned, for new branches to have life we must cut off those no longer bearing fruit.

Let me quote further from his statements:

I reiterate, that the present set-up is a hodgepodge and crazy quilt of duplications, overlappings, inefficiencies, and inconsistencies with their attendant extravagance: It is probably an ideal system for the tax eaters, but it is bad for those who have to pay the bill.

Ex-President Hoover has been quoted many times on both sides of the aisle today. It is rather interesting that President Hoover, after 16 or 18 years out of Government, should be called upon to assist in dealing with this question. Of course, I am in favor of legislation that will bring about more economy, more efficiency, and less waste and extravagance in our Government. Whether the enactment of this proposed legislation will do the job, is yet to be determined.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. REES. In just a minute, if I have time. The distinguished gentleman from California who is now on his feet was a member of the House Committee on Civil Service and is presently a member of the House Committee on Post Office and Civil Service. He is one of the active working members of that committee and gives of his time and energy in the study of the problems that come before that

committee. He will recall I submitted legislation, the intent and purpose of which was to deal with this problem in a constructive and effective manner. I believe if that proposed legislation had been enacted into law, a great share of the waste, extravagance, and duplication and multiplication of effort to which the majority floor leader has called attention, would not have been as big as it is today.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. HOFFMAN of Michigan. I yield 1 minute to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Chairman, I wish to announce to the Republican Members that the conference which was to be held this afternoon following the session has been postponed until tomorrow morning at 10:30 o'clock.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, this is a far-reaching and an important measure. Far be it from me to intimate that something should not be done about this situation in which we find ourselves. We all seem to be agreed and nobody would dispute the proposition that we do have too many agencies. Many of them are overlapping. Many of them are pyramided, one above the other. There are many duties and functions of government that are duplicated, that are performed by people whose services are not necessary. However, it occurs to me—and I say this with all due deference to the gentlemen who have studied this matter and have spent days in its consideration, that you and I have just been handed this measure upon the spur of the moment. I would like to have had time to read this proposal and the hearings, but this proposal and the hearings were not available until today. It is a reversal of the traditional methods of legislation. Ordinarily, when an end is to be accomplished by the enactment of law, the law is written before it is submitted to the House.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. No; not now. I am seeking the light and I am afraid when the blind lead the blind they will both fall into the ditch.

Mr. McCORMACK. The gentleman would not say that applies to the gentleman from Massachusetts?

Mr. JENNINGS. Oh, there is nothing personal about this. I am just being impersonal and making an observation which, if my good friend will take to heart and meditate upon it, it may be a salutary thing for him.

Mr. McCORMACK. I always listen to my friend with a great deal of interest.

Mr. JENNINGS. I appreciate the fact you do, and I always listen with interest and profit to the gentleman from Massachusetts.

Mr. McCORMACK. Will the gentleman yield now?

Mr. JENNINGS. I could not refuse to yield to my friend from Massachusetts.

Mr. McCORMACK. My friend probably did not know it, but a copy of the

hearings and a copy of the bill now before us, together with the report of the committee, was sent to every Member of the House so that they were received last Saturday.

Mr. JENNINGS. Well, I did not get it. I do not know whether it came to my office or not. I am not angry. I am not laboring under any sense of having been disregarded or neglected. I know that the gentlemen involved are all my friends, but I am just talking about the magnitude of this task and the magnitude of this proposal.

Mr. HOLIFIELD. Now my friend will be gracious enough to yield to me, will he not?

Mr. JENNINGS. Yes; I will yield to the distinguished gentleman from California.

Mr. HOFFMAN of Michigan. Mr. Chairman, I want to yield the gentleman one additional minute to talk on the bill.

Mr. JENNINGS. Perhaps the gentleman from California and I should have a private conversation on this question.

All I am undertaking to say is that it is proposed to delegate to the President these vast powers, yet everybody here knows that the President will not have a thing in the world to do with it; somebody else will work it out. I do not know who will write this proposed reorganization plan affecting all these agencies. I am saying that when a measure is brought in embodying such far-reaching effects that it should spell out, within its pages, exactly what is being provided. I cannot see why this is not done. If you have not had time to write a measure, if you have not had time to abolish agencies, if you have not had time to consolidate their powers or abolish their powers, now is a good time for you to do it and bring in a bill so clear and specific that we will know exactly what we are voting on. We will know exactly who is going to carry out the proposed measure. We all know the President is not going to do this thing personally; he will simply give it his sanction when those to whom he delegates the power we delegate to him have written their report; when they have written the law we alone should write. It looks to me as though this is a delegation of power upon a delegation. You are inaugurating a new system of multiplication, overlapping, duplication, and pyramiding here when you adopt this proposal. You delegate to the President the power to redelegate that power to someone whose identity you do not know and may never know.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. BROWN].

(Mr. BROWN of Ohio asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Chairman, as I am sure many of you know, I am one of the two Members of the House who, under the provisions of H. R. 775, the law which created the Commission on Organization of the Executive Branch of the Government, represents this body

on that important Commission. The Commission, just to review for one moment, is a bipartisan commission. It is made up of 12 members, 6 from public life and 6 from private life. Four members were named by the Speaker of the House, one Democrat and one Republican being Members of the House and one Democrat and one Republican being private citizens; four were named by the President pro tempore of the Senate, two from the Senate and two from private life, on a bipartisan basis; four were appointed by the President of the United States, two from the executive branch of the Government and two from private life. The Commission has been meeting for approximately 18 months on a night and day schedule. We have used some 28 task forces in the work of studying the possibilities for helpful reorganization in the executive branch of the Government. These task forces were named on a nonpartisan basis. Some three hundred outstanding citizens of America have contributed their time and their efforts as leaders of these task forces, or as members of the special committees and special commissions that have been set up to study some particular problem of government—some function, some activity, or perhaps, in some cases, some single department or agency of the Government.

I am very happy and very proud to be able to say to the House today that never once in all of the meetings of the Commission, nor in all of the various considerations given to the work of this Commission by the task forces, has there ever been a division along party lines or between the civil members, the private citizens, on the one hand, and the so-called official group on the other. If there has ever been an honest effort made to do a job for the benefit of all the people of America, it has been done by your Commission under the able and splendid leadership of the only living ex-President of the United States. I am also proud to say that the President of the United States, the occupant of the White House at the present time, has aided materially in many, many ways the work of this Commission. The heads of the various departments of government in the executive branch have also cooperated. So I can assure you I approach this legislation entirely from a nonpartisan angle.

Mr. Chairman, I hope that this bill will be enacted into law. I may say, and I have to say this to you in all honesty, that when the question of requesting of Congress the enactment of a reorganization act came before the Commission I had some reticence in my own mind as to just how we should approach the problem, and as to just what sort of reorganization act we should adopt. Yet I became firmly convinced, as we considered the matter, that if we want to accomplish the great purposes for which the Commission was created by the Congress by unanimous vote—and approved by the President promptly—we must give some single authority, to wit, the President of the United States, the power to put most of the Commission's reorganization plans

into effect. I was rather concerned about the section of the proposed bill which seemingly sets aside the old well-established constitutional procedure, or at least my understanding of it, whereby it is the legislative branch which legislates, and the President or Chief Executive who acts as the braking power or the controlling power to veto any measure which the Congress may pass, so that Congress must reconsider its position before taking final legislative action.

This provision in this bill, which sets up the requirement whereby each branch of Congress must veto or vote down in any reorganization plan the President may submit, did give me serious concern. Yet I was willing to accept it. Finally I agreed, in the Commission, to accept that section providing we had one other safeguard in the bill. We do have the understanding in the Commission, by the way, that any of us may dissent on any matter, be free to express our own opinion. As I stated, I am willing to accept the section requiring both Houses of Congress to vote down a reorganization plan providing we would have this one safeguard—that there be no permanent authority granted to the President or to his high office to reorganize the Government, anytime he wants and in any way he wants.

I am truly sorry that I cannot agree with some of my colleagues on the Commission and with some of my colleagues in the House in support of the provision for a permanent power to be placed in the hands of the President to reorganize the Government. In fact, I think if a time limitation were put on his power to reorganize, if we set a date by which action must be taken, the result will be that the Chief Executive will more rapidly put into effect the recommendations this Commission may make.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from California.

Mr. JOHNSON. The gentleman probably knows more about this problem than most anyone in the House. Is this a correct analysis of it: That what we are doing is not delegating legislative power; we are merely giving wider administrative power, including the power to unite and eliminate agencies, and so forth, to make for better administration, and we are merely reserving the right to negative that administrative action by legislation?

Mr. BROWN of Ohio. No; I do not want to go that far with the gentleman. Under the Constitution, and under the law, the President of the United States, regardless of what we may do, does have a great deal of power to put into effect a large part of the recommendations and the findings that the Commission will make from time to time to the Congress. But in other instances the President must have this legislative authority and power to make the program comprehensive, and to really do the job of reorganizing. In some instances under the Constitution and statutes already effective we will have to have legislative enactments to accomplish the purpose of the Commission.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Minnesota.

Mr. JUDD. Is it not a truer statement to say that we are not in this bill delegating reorganizing powers to the President; we are not delegating to the President the authority to prepare a plan, as our agent, because he is in a better position than we to prepare a plan of reorganization, which then comes back for us, and we either disapprove it, or by doing nothing, allow it to become the law and he can then issue orders carrying it out?

Mr. BROWN of Ohio. I think there is much to what the gentleman says. There is a very fine point involved. We are authorizing the President to make and submit certain reorganization plans subject to our possible disapproval. That is actually what the bill provides.

Mr. JUDD. Not to our disapproval of the actual orders given but to our disapproval of the plan. He cannot issue an order to carry out this reorganization until the 60 days have gone by without adverse action by us.

Mr. BROWN of Ohio. That is right.

Mr. JUDD. So that we do not veto a reorganization; we veto a plan which he has prepared as our agent.

Mr. BROWN of Ohio. It would be a plan of reorganization.

Mr. JUDD. Yes.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. BROWN of Ohio. I do want to say to the House that the great Committee on Expenditures in the Executive Departments on which I had the honor and pleasure of serving in the last Congress, has in my opinion, acted wisely and well in bringing this legislation to the floor. Certainly we cannot accomplish the reorganization of the Executive Branch of the Government, for the purpose of bringing about greater efficiency and economy in its operation, unless reorganization powers, such as contained in the bill, are given to the President. However, there is one dangerous provision in the bill. I can readily accept all other provisions, as I said a moment ago, although I am not too happy about one or two of them. I certainly do not want to see established as a pattern by which we will be guided in the future in our legislative meditations, either that Congress should act only as an agency to veto actions of the President or that he be given permanent authority to reorganize the Government. Rather than lose the great good that can come from this reorganization, I am willing to accept this bill, if necessary, but I do think we should keep the power in our own hands over the organization of the Executive Branch of the Government by placing a limit upon the length of time the President can exercise the great power this measure confers. I do not know who may be President 10, 20 or 30 years from now. As much as I respect the President and the Presidency, I would rather always trust the future of the country to the people's representatives in the Congress than to any one individual who may rise to power as

President of the United States in the future.

What I say here today is not a reflection on the gentleman who now occupies the White House, as I am sure, from conversations and from the interviews we have had as a commission with him, that he is just as much interested in seeing these reforms go into effect as the Commission which has worked upon them.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from California.

Mr. HOLIFIELD. The gentleman is of course making a most valuable statement. I, who have served with him on the Committee on Expenditures in the Executive Departments for the last 2 years, know the valuable service he has rendered on that committee and also on the Hoover Commission, on which he is now serving.

In regard to the limitation of the time, I think the gentleman certainly makes a point there. However, I would ask him if it would not be possible that the Congress by affirmative action at any time could place such a limitation of time upon this program.

Mr. BROWN of Ohio. Yes; I agree with the gentleman, but that is a dangerous method to pursue, I am afraid, because we can grant a power to the Chief Executive by a simple majority vote of this Congress, but, under our constitutional processes, if a President does not wish to surrender a power, we cannot take that power away from him by legislative action unless we have a two-thirds majority. That is the one great danger I see in the present bill.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. HOFFMAN of Michigan. Moreover, we have been assured by the gentleman from Illinois, the distinguished chairman of the committee, that the President could bring about these reorganizations not within 2 years but within a few months, so why extend it indefinitely.

Mr. BROWN of Ohio. I do not know whether he can do it all in just a relatively few months. I think we have to give him a couple of years, at least, to be fair. However, I do believe that the placing of a time limitation on his authority will act as a spur or a prod to get prompt action—so that there will not be any delay—whereas if the President is given permanent power it may be said, "Oh, there is plenty of time to do that." It is a human failing to put things off, and this governmental reorganization should not be put off. The people of America want action quickly, and I think the President wants action.

Mr. DAWSON. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. DAWSON. I thank the gentleman for his very, very valuable contribution to this matter. It comes from long experience. We know that his interest in this subject matter is great, and we know of his work with the committee.

I said that we would expect some form of reorganization action upon the different phases as they were presented to us

within a few months, but not on the entire reorganization plan, which must necessarily spread over the years.

Mr. BROWN of Ohio. May I say in answer to the gentleman that the Commission will file its reports soon. I believe the first report was filed today at noon. That was our schedule. Other reports will be filed every 2 or 3 or 4 days between now and March 13. Of course the President cannot possibly get all of these matters before him before that time. It will take many months for him to act, but, in my opinion, he should not have permanent power to reorganize, because we want quick action.

Mr. DAWSON. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. CHRISTOPHER].

Mr. CHRISTOPHER. Mr. Chairman, I am going to vote in support of the reorganization bill H. R. 2361 but I am going to do so with full knowledge of the fact that we are passing on to our President a job that Congress has repeatedly tried to do and failed.

I am supporting the measure because I think the recommendation of the committee ought to be carried out in the interest of economy and better service.

The only thing that gives me concern in the enactment of this bill is the knowledge that no matter what kind of reorganization measure the President may propose he is sure to be condemned by part of the people on the ground that it does not go far enough and by everybody else on the ground that it goes too far. In other words whatever measures are offered will lead only to criticism.

(Mr. CHRISTOPHER asked and was given permission to revise and extend his remarks.)

Mr. DAWSON. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. KARSTEN].

Mr. KARSTEN. Mr. Chairman, for the past 15 years I have been connected with the Executive Expenditures Committee in one capacity or another. During that period I have seen many reorganization proposals but in my opinion the bill we have before us today is the best reorganization legislation that has ever been presented to the House.

In the strict sense of the word, this bill is not in itself a reorganization bill. Rather, it is the mechanical device with which a reorganization of the executive branch of the Government can be accomplished. The bill sets up a simplified method for revising the organization of the Government through the cooperation of the President and the Congress. The legislation authorizes the President to submit to the Congress plans for reorganizations of agencies and functions of the executive branch. These plans will become effective after 60 days unless they are rejected by a majority vote of the two Houses. In adopting this legislation we reserve to the Congress the right to veto any proposed reorganization plan with which we may not agree. The advantage of this mechanical device is that it enables the President, who has the immediate responsibility for effective administration, to initiate improvement in organization, subject to the review and re-

jection by Congress. The passage of this bill is the first step that must be taken to bring about any reorganization of the 1,800 offices, bureaus, commissions, administrations, and departments, which make up our Government today.

A year and a half ago the Committee on Expenditures in the Executive Departments reported a resolution to the House providing for the establishment of a Commission To Study the Organization of the Executive Branch of the Government with the view of recommending improvements. This resolution was passed unanimously. The commission was set up and chose as its Chairman, former President Herbert Hoover. It is composed of two Representatives of the Congress, two Members of the other body, two administrators of the executive branch, and six private citizens. The commission has made an extensive study of the administration of the Government and within the coming weeks will submit many recommendations for improving the Federal structure. The committee had the privilege of hearing Mr. Hoover and he pointed out that passage of this bill is absolutely necessary if we are to bring about a reorganization of the executive branch of the Government. His testimony made clear that many of the most important recommendations of this Commission can be accomplished only if Congress adopts legislation as provided in this bill.

I believe all of us will agree that keeping the executive branch of the Government in good order is a continuing operation. Reorganization of the Government is not a one-time undertaking. Almost every administration for the past hundred years has urged Federal reorganization but none have brought any major overhaul of the executive agencies.

At the present time agencies of related objectives are scattered all over the Government. There are many Government offices duplicating the same type of work as other agencies. Perhaps not all of such activities can be concentrated in one agency but we can certainly improve the existing governmental structure.

Practically all of the witnesses who appeared before the Committee felt that this bill should be passed. Of course, we have had the same requests for exemptions that have heretofore been made in connection with legislation of this character. In writing this bill, however, we made no exemptions. The history of this type of legislation shows that where one exemption is made that exemption becomes the basis for others. To make all of the exemptions that would ordinarily be requested in connection with a bill of this kind would destroy its effectiveness. Instead of a bill to facilitate governmental reorganization, we would simply wind up with a bill of exemptions.

In writing this bill, however, we have recognized the desirability of adopting the single reorganization plan method insofar as the National Military Establishment is concerned as well as the major quasi-judicial agencies. The bill does not exempt these agencies from reorganization but simply provides that

any plan for their reorganization must be submitted singly rather than in a general proposal that might affect other Government offices. In this way, Congress will have the opportunity to vote separately on the controversial fields of Federal reorganization.

Suppose, for example, that the Corps of Engineers of the Army is involved in a reorganization plan. That plan can relate only to the National Military Establishment of which the engineers is a part. It cannot be tied in with a plan to reorganize some other Government agency. This will certainly assure adequate protection for the so-called controversial agencies.

I do not want to engage in a constitutional discussion, but in my opinion this bill certainly creates no dictatorial powers. In proposing that the President take the initiative and originate plans for the redistribution of executive agencies, Congress reserves a veto power over such plans that he may submit. As you know, the President also has the power of veto. This idea is not a new one. It was first recommended in 1931 by former President Hoover and it has been passed in this House in several reorganization bills since 1939. It is true that the constitutional authority to legislate is vested in the Congress, but this bill does not in any way divest Congress of its legislative prerogative. The bill contains no ban nor limitation on the Congress or its right to legislate. Rather than a limitation, this legislation is an implementation of the legislative prerogative of the Congress.

I hope that the House will adopt this bill and that it will be passed without adding a lot of exemptions. We have the opportunity now to make a major contribution in bringing about greater efficiency in the operation of our governmental offices and departments. It is our responsibility to see that these departments and agencies are as efficient as they can be made, which in turn will be reflected economy and savings to the people we represent.

(Mr. KARSTEN asked and was given permission to revise and extend his remarks.)

Mr. DAWSON. Mr. Chairman, I yield such time as he may desire to the gentleman from Minnesota [Mr. BLATNIK].

Mr. BLATNIK. Mr. Chairman, I rise to speak in support of this measure, the Reorganization Act of 1949, and to go on record as saying that I am in full accord with its objectives and provisions. The House Committee on Expenditures in the Executive Departments has submitted this bill to the House and recommended its passage only after extensive hearings, careful study, and deliberation, and I am convinced that it offers a workable method of executive-legislative cooperation for making changes in the Federal administrative organization to promote efficiency and economy in Government.

This is a simple bill—it contains no bugs or hidden jokers—its provisions can easily be understood by everyone. The purposes of this bill now under consideration are to reduce expenditures and promote economy in Government—to provide better service to the American people.

ple at less cost to the American taxpayer. This end is to be achieved through the regrouping and consolidation of agencies and functions into a more orderly and integrated administrative organization, and in this way eliminate the overlapping of functions and duplication of effort in our Government.

The procedure established by this bill to bring about a reorganization of the administration is simple and workable—it merely provides that the President shall examine the administrative set-up from time to time from the viewpoint of obtaining more efficient and economical execution of Federal policy, and present recommendations for any adjustments in the form of reorganization plans for the consideration of Congress. Such plans shall go into effect after 60 legislative days unless Congress through concurrent resolution passed by both Houses rejects said plan. In other words, the President initiates plans for reorganization, and the Congress reviews, ratifies, or rejects such plans. This is a democratic procedure to which there should be no objections.

The need for a general overhauling of our administration has been recognized by every President since Theodore Roosevelt, and by every responsible student of government. Today the Federal administration is a great sprawling labyrinth of agencies—there are over 1,800 of these bureaus, departments, commissions, divisions, administrations, and offices which have accumulated by legislative and executive actions throughout the years. Within this maze of agencies there is considerable overlapping of functions, conflicts of jurisdiction, competition between different agencies, waste, and working at cross-purposes. As a result of this multiplicity and overlap of agencies, there is a great deal of red tape, confusion, and inefficiency.

Now, I am not blaming anyone for this condition. The fact is that our huge administrative mechanism has, as a result of the needs of the people for new services and the demand of two world wars, been built up without plan or design like the barns, shacks, silos, toolsheds, and garages of an old farm, to become a veritable jungle of unrelated units and services. As a result the President cannot properly execute the laws for which he is held responsible—he is forced to waste his time dealing with some 45 to 80 agencies which report directly to him, and which prevent him from concentrating on the more important duties of his office.

Mr. Chairman, Congress is obligated to take action to remedy this disorganized state of affairs, and the path to follow has been well defined. As the result of research, investigation, and practical experience in business and government, certain well-established principles of organization have developed, and are now generally accepted as the fundamentals of sound public administration. These guiding principles said to be basic in the reorganization of government may be summarized as follows:

First. The functions of government should be grouped into a few orderly de-

partments, with each department being responsible for carrying out all related functions contributing to one major objective;

Second. Each major department should be headed by an administrator appointed by and responsible to the President, thus giving the Chief Executive power to effectively control and direct the administration;

Third. The President should not have more than 20 agency heads reporting to him directly, thus freeing him from the mass of administrative detail, and permitting him to devote his time to major questions of policy;

Fourth. The lines of authority within the departments should be clearly defined and direct from the upper to the lower levels of the administrative hierarchy; and

Fifth. Purely administrative functions should be separated from quasi-legislative and quasi-judicial functions, with the latter being placed under the jurisdiction of autonomous boards and commissions.

These are the standards of sound public administration, and the goals toward which we move in seeking more efficiency in government. This reorganization bill is the first step—the enabling step—toward sound management in our Federal Government. I am sure that its passage will provide better service and more efficient management at less cost to the people of the United States, and I call upon the Congress to enact it into law.

(Mr. BLATNIK asked and was given permission to revise and extend his remarks.)

Mr. DAWSON. Mr. Chairman, I yield the balance of my time to the gentleman from Virginia [Mr. HARDY].

Mr. HARDY. Mr. Chairman, for a great many years the question of reorganizing the executive agencies of our Government has been a matter of concern, not only to the Congress but to every taxpayer. The subject is not new but the need for reorganization is continually getting more acute.

The number of executive agencies has increased with every Congress and their fields of activity have been expanded.

This situation has brought about many instances of overlapping jurisdictions and duplication of effort which have been accompanied by inefficiency, wastefulness, and ineffectiveness.

Everyone who has any contact with the Federal agencies recognizes the existence of the situation and sees an urgent need for better utilizing the manpower on the Federal pay roll.

The subject has been much discussed but few worthwhile results have been achieved. This is a problem of tremendous magnitude which the Eightieth Congress recognized. Two years ago we passed legislation which resulted in the establishment of the commission headed by former President Hoover. That commission has been at work for nearly 2 years making exhaustive studies of our governmental set-up and soon its reports will be submitted to us and to the President with recommendations for remedial action.

The bill before us today will provide a vehicle for the effectuation of recommendations based on the studies of the Hoover Commission. Without this legislation much of the value of the work the Commission has done will be lost.

During the hearings conducted before our committee, many people denounced the existing situation and spoke of "deadwood" in the executive agencies. It is significant, however, that many of the witnesses, while espousing the cause of reorganization, sought exemptions for specific agencies in which they or their constituents were personally interested. This brings into point the need for giving to the President the authority to make recommendations of corrections under legislation which will assure prompt and positive action.

In the testimony it was frequently stated that Congress increases agencies and authorizes additions to the Federal pay roll but seldom finds it expedient to eliminate an agency or to reduce the number of Federal employees. It is difficult for us who are charged with overall legislative responsibility to visualize specific needs for reorganization and the very nature of the legislative process makes it essential that the President be given a freer hand in revamping the agencies he administers and in eliminating such agencies as are unnecessary, or the functions of such agencies when they are duplicating services performed by other agencies.

In the past we have had similar authority conferred upon the President but in each instance it has been so circumscribed by exemptions and provisions for special treatment to specific agencies that it has made the problems of the President extremely difficult. In the legislation before us no exemptions are provided and the President will be enabled to recommend reorganization plans in keeping with the needs which are obvious to him and without regard to special interests.

Even so, the legislation provides ample safeguards for the protection of the legislative functions of Congress through the provision by which the Congress can disapprove a plan recommended by the President and thereby make it inoperative. In order to prevent undue delay, the legislation provides for a 60-day period within which the Congress must act if it disapproves of the reorganization plan.

I think it should be pointed out that under this legislation the President can merely transfer agencies or functions of agencies or abolish agencies or functions of agencies. He cannot broaden the authority of any agency beyond that which has already been provided by law. Neither can he establish or abolish completely any executive department whose head has Cabinet status.

We talk efficiency and economy. We all know that it is urgent, especially during this period of international unrest when it is necessary that we make large expenditures in the interest of national security. Our internal economic conditions require maximum efficiency. Let us therefore proceed speedily to pass this legislation in order that the effective-

ness of our domestic agencies may be increased, that the expenditures for essential services to our people may be reduced, and that our gigantic governmental activities may be put on a more businesslike basis. I hope this legislation will pass in its present form. I hope that the Members of this body will view the subject from its broadest aspects and will vote for this legislation without seeking to incorporate amendments to give special treatment to pet agencies. If we are in earnest about desiring efficiency and economy in Government, about reducing the Federal pay roll, and making better utilization of the services of Federal employees, we will act speedily to pass this legislation as it has been recommended by the committee.

(Mr. HARDY asked and was given permission to revise and extend his remarks.)

Mr. HOLIFIELD. Mr. Chairman, I ask unanimous consent that all Members who desire to do so may extend their remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California [Mr. HOLIFIELD]?

There was no objection.

Mr. DOYLE. Mr. Chairman, I speak in favor of the passage of this bill to provide for the reorganization of the Government agencies, and for other purposes.

After a careful reading of the hearings before the Committee on Expenditures in the Executive Departments, a copy of which hearings is furnished us with a copy of this most important bill, I conclude that Congress itself must recognize that Congress itself is not qualified, because of lack of time, opportunity, and training, to itself enter into the field of reorganization of Government agencies in the executive or administrative branches thereof. This being true, the President of the United States and his associates must have the power.

Evidence shows that for several years Congress has undertaken to pass a reorganization bill from which would flow savings of the taxpayers' money and increased efficiency; but in this bill it appears plainly to me that here is the opportunity for the best piece of legislation in this field yet enacted, or considered.

For instance, it provides no exemptions; it provides no time limit; and there is no limitation either to begin or to end, so that the President has opportunity to come before Congress with his planned reorganization at such time as he is ready to do so. The bill provides that he must examine and reexamine the reorganization of all agencies of Government and must determine what change shall be necessary to accomplish six worthy objectives, which are:

First. To promote the better execution of laws.

Second. To reduce expenditures and promote economies to the fullest extent consistent with operational government.

Third. To increase the efficiency of the operations of government.

Fourth. To group, coordinate, and consolidate agencies and functions of government according to major purposes, as nearly as may be possible.

Fifth. To reduce the number of agencies by consolidating those having similar functions under a single head and to abolish such agencies or functions thereof as may not be necessary for the efficient conduct of government.

Sixth. To eliminate overlapping and duplication of effort.

Mr. Chairman, if we were operating our own private business establishments or if we were in the employ of any of the great successful American corporations, these six objectives would be continuously called to our attention as worthy and essential. And, just because we are employed by the American taxpayers is no reason that these same six objectives should not be continuously before our great Government. Efficiency and operation of major objectives at a minimum of expense is not less essential in government than it is in private business.

The two living men best qualified to tell us their considered opinion have given us their joint opinion on the objectives of this bill—President Herbert Hoover, who happens to be a registered Republican, and President Harry Truman, who happens to be a registered Democrat. These two great Americans have joined forces and have made a recommendation to us as representatives of the people. If experience ever talks, here is where it should talk; and these two great leaders of American executive responsibilities, both past and present, tell us plainly that this bill is the bill which should pass. I am willing to take the strong recommendations of these two men. Their interests have been and are the interests of the American people in these matters.

The bill clearly protects the interests of the American people by providing that the President shall first submit proposed changes to the United States Congress; and, then, the bill gives us, as representatives of the taxpayers, a 60-day period within which to state in writing our objections. This certainly is time enough for us to act and is fair to Congress and does not hold the President up too long.

I shall vote for the bill as the committee has reported it and desires it to be enacted. This is in the interests of the public welfare.

Mr. CARROLL. Mr. Chairman, I rise in support of H. R. 2361. It is apparent to me after a careful reading of the testimony of the witnesses who appeared before the Committee on Expenditures in the Executive Departments in the interest of this legislation that there is a drastic and immediate need for the passage of this type of reorganization legislation.

I have paid particular attention to the testimony of a fine American and may I add one of the few Americans who has had actual experience and, with the exception of our present President, is best qualified to speak in behalf of this measure. I refer to former President Herbert Hoover. I realize, of course, that Mr. Hoover has presented not only his own views, but, as chairman of the so-called Hoover Commission, he is speaking for all of the outstanding men who comprise that Commission. In addition to his opinion, we have the benefit of the experience of the Comptroller General of

the United States, Mr. Lindsay Warren, who has served as a Member of Congress and has spent many years following the subject of this legislation with extreme care. His past position, coupled with the high position he now holds, lends great weight to the force of his testimony.

The constant and steady growth of the Government of this great Nation has produced overlapping and duplication to such an extent that it is not only wasteful from a monetary standpoint but has produced great inefficiency and in many instances we have found Government departments working at odds with one another.

Every Member of Congress should read carefully, not only the testimony of these two important witnesses but the majority report of the Committee on Expenditures in the Executive Departments. The passage of this bill will and should pave the way for more efficient government and for greater economy.

It is obvious, as we witness the increase in the national budget from year to year, that we must exert every effort to streamline our Government, eliminating waste in the interests of economy and for the benefit of taxpayers.

The CHAIRMAN. All time has expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted, etc.,—

TITLE I

SHORT TITLE

SECTION 1. This act may be cited as the "Reorganization Act of 1949."

NEED FOR REORGANIZATIONS

SEC. 2. (a) The President shall examine and from time to time reexamine the organization of all agencies of the Government and shall determine what changes therein are necessary to accomplish the following purposes:

(1) to promote the better execution of the laws, the more effective management of the executive branch of the Government and of its agencies and functions, and the expeditious administration of the public business;

(2) to reduce expenditures and promote economy, to the fullest extent consistent with the efficient operation of the Government;

(3) to increase the efficiency of the operations of the Government to the fullest extent practicable;

(4) to group, coordinate, and consolidate agencies and functions of the Government, as nearly as may be, according to major purposes;

(5) to reduce the number of agencies by consolidating those having similar functions under a single head, and to abolish such agencies or functions thereof as may not be necessary for the efficient conduct of the Government; and

(6) to eliminate overlapping and duplication of effort.

(b) The Congress declares that the public interest demands the carrying out of the purposes specified in subsection (a) and that such purposes may be accomplished in great measure by proceeding under the provisions of this act, and can be accomplished more speedily thereby than by the enactment of specific legislation.

REORGANIZATION PLANS

SEC. 3. Whenever the President, after investigation, finds that—

(1) the transfer of the whole or any part of any agency, or of the whole or any part of the

functions thereof, to the jurisdiction and control of any other agency; or

(2) the abolition of all or any part of the functions of any agency; or

(3) the consolidation or coordination of the whole or any part of any agency, or of the whole or any part of the functions thereof, with the whole or any part of any other agency or the functions thereof; or

(4) the consolidation or coordination of any part of any agency or the functions thereof with any other part of the same agency or the functions thereof; or

(5) the authorization of any officer to delegate any of his functions; or

(6) the abolition of the whole or any part of any agency which agency or part does not have, or upon the taking effect of the reorganization plan will not have, any functions, is necessary to accomplish one or more of the purposes of section 2 (a), he shall prepare a reorganization plan for the making of the reorganizations as to which he has made findings and which he includes in the plan, and transmit such plan (bearing an identifying number) to the Congress, together with a declaration that, with respect to each reorganization included in the plan, he has found that such reorganization is necessary to accomplish one or more of the purposes of section 2 (a). The delivery to both Houses shall be on the same day and shall be made to each House while it is in session. The President, in his message transmitting a reorganization plan, shall specify with respect to each abolition of a function included in the plan the statutory authority for the exercise of such function.

OTHER CONTENTS OF PLANS

SEC. 4. Any reorganization plan transmitted by the President under section 3—

(1) shall change, in such cases as he deems necessary, the name of any agency affected by a reorganization, and the title of its head; and shall designate the name of any agency resulting from a reorganization and the title of its head;

(2) may include provisions for the appointment and compensation of the head and one or more other officers of any agency (including an agency resulting from a consolidation or other type of reorganization) if the President finds, and in his message transmitting the plan declares, that by reason of a reorganization made by the plan such provisions are necessary. The head so provided for may be an individual or may be a commission or board with two or more members. In the case of any such appointment the term of office shall not be fixed at more than four years, the compensation shall not be at a rate in excess of that found by the President to prevail in respect of comparable officers in the executive branch, and, if the appointment is not under the classified civil service, it shall be by the President, by and with the advice and consent of the Senate;

(3) shall make provision for the transfer or other disposition of the records, property, and personnel affected by any reorganization;

(4) shall make provision for the transfer of such unexpended balances of appropriations, and of other funds, available for use in connection with any function or agency affected by a reorganization, as he deems necessary by reason of the reorganization for use in connection with the functions affected by the reorganization, or for the use of the agency which shall have such functions after the reorganization plan is effective, but such unexpended balances so transferred shall be used only for the purposes for which such appropriation was originally made;

(5) shall make provision for winding up the affairs of any agency abolished.

LIMITATIONS ON POWERS WITH RESPECT TO REORGANIZATIONS

SEC. 5. (a) No reorganization plan shall provide for, and no reorganization under this act shall have the effect of—

(1) abolishing or transferring an executive department or all the functions thereof, establishing any new executive department, designating any agency as "Department" or its head as "Secretary," or consolidating any two or more executive departments or all the functions thereof; or

(2) continuing any agency beyond the period authorized by law for its existence or beyond the time when it would have terminated if the reorganization had not been made; or

(3) continuing any function beyond the period authorized by law for its exercise, or beyond the time when it would have terminated if the reorganization had not been made; or

(4) authorizing any agency to exercise any function which is not expressly authorized by law at the time the plan is transmitted to the Congress; or

(5) increasing the term of any office beyond that provided by law for such office; or

(6) transferring to or consolidating with any other agency the municipal government of the District of Columbia or all those functions thereof which are subject to this act, or abolishing said government or all said functions.

(b) A reorganization plan providing for a reorganization affecting any agency named below in this subsection may not provide also for a reorganization which does not affect such agency; except that this prohibition shall not apply to the transfer to such agency of the whole or any part of, or the whole or any part of the functions of, any agency not so named. No provision contained in a reorganization plan shall take effect if the reorganization plan is in violation of this subsection. The agencies above referred to in this subsection are as follows: National Military Establishment, Board of Governors of the Federal Reserve System, Interstate Commerce Commission, and Securities and Exchange Commission.

Mr. HOFFMAN of Michigan. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN of Michigan: On page 7, after line 20, insert a new section as follows—

Mr. ROGERS of Florida. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ROGERS of Florida. The gentleman is offering a new section. I have an amendment that I want to offer to this section.

The CHAIRMAN. Do I understand the gentleman from Michigan is offering a new section?

Mr. HOFFMAN of Michigan. I am offering a new subdivision under section 5, following subsection (b).

Mr. ROGERS of Florida. Will the Chair advise me whether or not the offering of the amendment of the gentleman from Michigan adding a new section or paragraph will preclude me from offering my amendment?

The CHAIRMAN. Not if the gentleman's amendment is otherwise in order.

The Clerk will report the amendment offered by the gentleman from Michigan.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN of Michigan: On page 7, after line 20, insert a new paragraph as follows:

"(c) No reorganization specified in the reorganization plan shall take effect unless the plan is submitted to Congress before January 20, 1953."

Mr. HOFFMAN of Michigan. Mr. Chairman, this is the amendment which

would bring about a limitation upon the power; that is, instead of its being permanent legislation it would be limited to January 20, 1953, which would be the date of the expiration of the President's term of office.

I may say that this amendment was drawn by legislative counsel from the Comptroller General's office. This language is word for word, period, comma, and semicolon the same as the previous law. There should be some limitation upon this legislation, although some Members will probably reply that Mr. Hoover said that is not so. It is with a great deal of pleasure that I hear you gentlemen on the Democratic side quoting Mr. Hoover. I wish in previous years, in other campaigns, other elections, along in some October, all down through October and up to election day in November, you gentlemen had quoted Mr. Hoover with a little more appreciation than you did.

Many, many times from the well of the House I have heard members of the party to which the gentlemen who are now quoting Mr. Hoover with approval, who are now citing him as the embodiment of all wisdom and all patriotism, charge that almost everything disagreeable that happened to this country between January of 1928 and the day of the convening of the Eighty-first Congress was due to the mistakes, the lack of wisdom, the unsound policies, of this same Herbert Hoover.

Had Mr. Hoover's reorganization plan been accepted by a Democratic Congress, some of the evils which you seek to cure now might have been ended years ago.

Had his views been given just a little of the consideration which you now claim for them, it might not only have helped some of us on this side, but the country might have been saved billions of dollars, given greater efficiency, and the executive department might have been now operating in an efficient, economical way.

But we are willing to forget your previous criticism of our former President and his views. Many of us are happy, are thankful, to know that, at this late day, you are now recognizing the ability, the straightforwardness, of our great former President, who was so unmercifully pilloried during the years which have elapsed since he left the office.

If some of you now appreciate Mr. Hoover and his service to his country, there should be at least as much rejoicing as there was over the finding of the sheep which was lost and returned to the fold. You know what they said about that fellow who was saved at the last moment. I am glad so many have been converted to at least some of Mr. Hoover's views. Enough of that.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from North Carolina.

Mr. BONNER. The gentleman means Mr. Hoover who appeared before the committee?

Mr. HOFFMAN of Michigan. Yes.

Mr. BONNER. I am thinking of Mr. Hoover as the Chairman of the Commission. I am not thinking of Mr. Hoover as a political candidate or as a former President. I take it that Mr. Hoover was not expressing entirely his own views

with respect to reorganization. I take it he brought to the committee the joint views of the members of the Commission. It was a nonpartisan Commission.

Mr. HOFFMAN of Michigan. I cannot yield any more.

Mr. BONNER. I just wanted the RECORD to show that.

Mr. HOFFMAN of Michigan. My only point is that today so many Members of the House, so many people in this country, have recognized that there is something good in some of Mr. Hoover's views. It is an acknowledgment of a great service which has been too long delayed. That is the only point I was trying to make at this time. Conversion long delayed is a good thing, even if it comes a little late.

If the gentleman knew as much about the workings of this Commission as some other folks he would know that it was not altogether a body of but one mind, and I think Mr. Hoover has from time to time changed his views as the matter went along.

Let us get down to the pending amendment. Some day the gentleman who holds the office of President at the present time will die. He will no longer be President. He may not even be elected to a third term. No one knows who is going to be President in the future, and I want to know what you gentleman on the other side of the aisle are going to do and where you will be if along comes a President as has a previous President and sends down a reorganization plan which takes over so many of these agencies, for example the USES, and puts it in the Labor Department. The House killed that one twice.

What are you going to do if you should get a President like Mr. Wallace, for example, or some other man, or even the present President who apparently gets his views on labor legislation from the Labor Department, from Phil Murray and from the CIO, and he should send down here a reorganization plan putting the Conciliation Service, the Labor Relations Board, and all of their functions in the Labor Department? What are you going to do if you have a filibuster over in the Senate and a plan like that is not acted on in 60 days? You are going to swallow it lock, stock, and barrel. We ought to think about that.

There should be some limitation on the President's power. There should be an opportunity for the House as well as for the Senate to vote on any plan he sends down here. Both House and Senate should be forced to act. You see where you are getting? You have Phil Murray sitting here on one side, John Gibson of the CIO, and Tobin of the Labor Department sitting on the other side of the President and from that combination down comes a plan, as came down this demand that we repeal the Taft-Hartley Act and go back to the old Wagner Act—a plan which the House does not like, which the House rejects unanimously, but which under this bill may still become the law of the land, either because a majority of the Senate does like it or because of a filibuster which prevents action by the Senate.

Just as sure as you adopt this plan, you some day may have a bill which

neither the House nor the Senate would pass becoming the law of the land, rammed down your neck, and you will not like it.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. DAWSON. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, this amendment would make the bill in that respect just like all of those that have gone before. Nothing has been done under the other bills so far. We speak of Mr. Hoover with reverence because we believe that from his experience as President of these United States he did learn some very valuable lessons that can serve us in this day. The House must have believed that when he is serving now as chairman of one of the greatest commissions this Congress has ever authorized. I do not believe there is any greater patriot in this country than our former President. We look upon him equally with all other great patriots. But he has something that no other man has; that is experience. He has been the President. He has gone through this. He asked for reorganization in his day. One of his last acts was to request that a reorganization measure might be passed in order to enable his successor to do the things that he never had an opportunity to do.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. DAWSON. I did not disturb you, sir. I will not yield at this point.

So, he gave us his experience, and this committee used it. The same way with our present President. We do not question his patriotism. We do not question his love of country. I do not believe that he can be influenced by any outside influence any more than any Member of this House can be influenced by outside influence. Had you been a member of this committee you would know how much influence has been brought to bear upon the members of this committee by various agencies in order to take themselves out of the workings of this bill. But, we are bringing in a bill that we believe is the best that can be had and that we believe will do the job.

If you are going to question the integrity of somebody, then perhaps we ought to start off with a President and a former President. If you are going to agree that they have equal love of country with us, then we ought to use the valuable experience that they have gained, in arriving at a determination which brought this bill about.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. DAWSON. I do not yield at this point.

Mr. HOFFMAN of Michigan. But you are misquoting him.

The CHAIRMAN. The gentleman declines to yield.

Mr. DAWSON. So, both the present President, whom you are going to charge with this responsibility, and a past President, who has had experience and can talk to us from the viewpoint of experience, ask you to take off that handicap, ask you to make this permanent legislation, ask you to give every President the responsibility of a power to do the thing which you say is necessary to be done

and that only a President can do. Sure, you have had this argument in past reorganization plans, and the thing that you did then has been one of the handicaps in bringing about new organization plans.

So, I am going to ask the members of this committee, in the light of past experience, in the light of testimony of these witnesses, in the light of the job to be done for the people of this Nation, that is, setting in motion machinery that can wipe out this overlapping, that can do away with these unnecessary functions, that can streamline the operations of government, even as big business must do today, as the gentleman from Pennsylvania [Mr. RICH] said, to accept the bill as recommended by the committee. Big business has streamlined its own affairs. Gone are the methods of yesterday. No good businessman would stand for his organization to be in the shape that our executive department is in today.

So, I am asking you to stand back of this committee which has given a good deal of thought to this thing, heard witnesses upon it, and have brought you their sober judgment that permanent legislation is necessary in order to do the job.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. RICH. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I was very much interested in the statements made by the chairman of our committee. I agree in a great measure with those statements. However, during the discussion of this legislation I asked that we set a termination date that this legislation might expire on. When I asked Mr. Hoover whether it should not expire in 8 years, he made the statement that he hoped it would not be necessary to continue it that long. I spoke to our committee about the 8 years, and they thought that it was too long. I was under the impression all the time that we were going to have this legislation expire in not over 4 years.

The situation is just this: We have built up this great organization of government for 150 years, and now we are going to try to readjust it. This commission has spent a couple of years getting ready the suggestions upon which the President will act, and under this amendment the President will have 3 years from this time to see that they are consummated. It seems to me it is only wise that a termination date be placed on this legislation, regardless of whether you make it 3, 4, 5, or 6 years. The amendment the gentleman has offered provides, I think, for 3 years. I cannot for the life of me see why it would not be the wise thing to do.

I quite disagree with my chairman on that one point. Otherwise, he has been handling the affairs of this committee in fine shape and has been doing a good job. I admire the way he has handled the committee. I take my hat off to him. But I do think we could put a limitation on the time for which this legislation is to extend and it would be in the best interest of the country. Speaking for myself, I shall vote for this amendment,

and I hope the Members of the House will see fit to terminate this power at some time. If you pass this legislation and have no termination date, you will always be in turmoil. You will never know when a reorganization plan might be sent down from the White House, regardless of who the President might be, and at some time it will catch somebody napping and they will not be prepared for it. However, as long as we have the chairman we have now, and as long as we know there is something coming, we will be expecting plans to come in here in the next 2 or 3 years, so that if we are on the anxious seat and are waiting for something, and do not want it to pass, we will take action and see that it does not pass. However, if we let this thing ride along, I can see where damage might happen to this Government that might be irreparable.

Mr. MORRIS. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield to the gentleman from Oklahoma.

Mr. MORRIS. Assuming the bill should pass as it is, without the amendment, could not any future Congress or could not this present Congress repeal it if it wanted to?

Mr. RICH. Yes, sure; we have lots of laws. That same thing applies to just what is trying to transpire here now. The Congress can change it, but we will not do it; that is the point. You can get action when you have a termination date or have something to do and you know you are going to do it. If you know you are going to die in 2 weeks from now you will make a will, if you do not have one already; but you say, "Oh, I can make a will any time," and you just let it ride on and on, and then you do not do it. That is the point I am trying to bring out.

Mr. HOLIFIELD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this matter I would say is not of tremendous and vital importance. It is a matter of policy. It is a matter which, if decided either way, would not vitally ruin the bill or vitally make the bill. It is a matter of policy which has been decided, on mature consideration, by the members of the committee after having heard testimony before the committee.

In the first place, the President has asked for this power to be made a matter of permanent legislation, and I will get to the points supporting permanent legislation in just a moment.

In the second place, the chairman of our committee asked this question of Mr. Hoover when he was before the committee, and you will find this testimony on page 137 of the hearings:

The CHAIRMAN. This bill, Mr. Hoover, is to be permanent legislation? There has been some discussion as to whether or not it should be limited to the term of the President and then a new bill drawn as a new President comes in. Can you give us your opinion on that subject, sir?

Mr. HOOPER. My opinion is that it ought to be permanent legislation because the executive branch of the Government is a constantly changing body. We need no better proof of that than the growth in the number of agencies from 350 to 1,800. I would expect for a constant shift in the focus of govern-

ment giving emphasis to first one type of action and then to another, with the development of new phases of such action, all of which must be constantly refitted into the whole pattern of the executive branch.

This is not just one action of one administration or one President, it is a continuous operation. As long as the Congress has the veto, I do not see that there is any great danger in conferring such a power.

I want to point out to you that in the 1932 Reorganization Act we gave to President Roosevelt a permanent type of legislation. This is an answer to my friend, the gentleman from Pennsylvania [Mr. RICH], who is my colleague on the committee, when he said that Congress would not do this. In the amended 1933 form, however, the Congress did take away the permanent type of legislation and set a limitation upon the time. That shows that Congress can, has, and could in the future function in regard to the termination of the power. The reorganization of the government is not a one-time undertaking. It is conceived as a continuing problem. Our Government is not a static type of government. It is a constantly growing and changing type of government. Every action which the Congress takes and every law which is passed by the Congress which changes the administrative function or adds to or takes from such functions, creates a different situation in administrative powers. Therefore, there is constantly before the President the need of reorganization. That is why we are asking for permanent legislation. If at any time the President misuses that type of power, we can limit it by legislative enactment. We can speed up his action by bringing before the Congress an act which says that by a certain day he shall take such-and-such an action or the power shall be taken away from him.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. RICH. In the hearings on page 143 I asked Mr. Hoover the following question:

How long do you think it will require the present President or any future Presidents to accomplish everything that should be attained in this legislation?

Mr. Hoover replied:

Well, Mr. RICH, there are two steps here. One of them is to get a definite plan and have it approved by the Congress, or, rather, have the Congress leave it alone; and the other is the taking of a number of individual steps that will each require specific legislation. I take it that we will be in the throes of reorganization even with the utmost cooperation for at least over a year before we will get the machine working and be in a position to give us the subsequent benefits. This is no easy task.

Then I asked him this question:

Therefore, it is going to take a lot of time; even 6 or 8 years would not be too long for the Chief Executive to have his organization get thing in preparation to make suggestions, would it?

Mr. Hoover said—and this is the point I want to make:

It certainly is quite a period. I hope it is not that long because I would like to live to see the end of it.

Mr. HOLIFIELD. Mr. Hoover, of course, was referring in that conversation, as I take it, to the Hoover Commission reports, and it is not conceded that the Hoover Commission reports will be the last attempt to reorganize the administrative part of our Government machinery.

Mr. RICH. I have been trying my best to make it clear that what I wanted to know was how long it would take the President to effect this organization.

Mr. HOLIFIELD. I know the gentleman does not want the House to think that once action is taken on the present Hoover Commission reports that that will end for all time the necessity for continuing scrutiny of government and continuing reorganization.

Mr. RICH. Oh, no; I would not want to try to fool anybody any place anytime. I want to be straight, open, and above-board, and tell them just what I think. If anybody has the idea that I am trying to fool anybody I wish that they would get that out of their mind.

Mr. HOLIFIELD. I know the gentleman is not trying to fool anyone, but I just wanted to clarify a point in the gentleman's remarks.

Mr. BROOKS. Mr. Chairman, I move to strike out the last five words.

Mr. Chairman, I recognize there is a great deal of good in the Hoover Commission report and a great deal of good in this bill. I recognize the imperative need for reorganization in Government and greater efficiency in Government and for more economies and for the reduction of expenses; but I want to take this time to voice this serious thought with reference to the Army engineers:

This bill goes as far as the committee felt it should go with reference to assisting in the demand which I hear voiced in this Congress regarding the administrative integrity of the Army engineers. This bill separates the program of reorganization so that any plan involving the national defense will come back separately to the Congress and therefore receive a separate vote. However, I feel that the Army engineers have done such a grand job, both in peace and in war, that no reorganization of the Army engineers should occur. I wanted to take just this moment to voice this opinion. I have made a study of the work, as I am sure have a great many other Members of Congress. The Army engineers have done a wonderful job and they are now doing a magnificent job.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to my chairman, the distinguished gentleman from Georgia.

Mr. VINSON. Does not the argument which the gentleman is advancing with reference to the Army engineers apply equally to the Army, the Navy, and the Air Corps?

Mr. BROOKS. In a sense it applies equally; but in another sense I do not think it does apply equally. The Army engineers are in a peculiar position. The Army engineers perform in time of war as a part of our national defense. In time of peace the Army engineers per-

form as a part of our peacetime set-up. They perform differently from any other agency of Government. That is the reason I felt that I should take this brief opportunity to voice the serious concern which I feel in reference to any effort to change the Army engineers, in the handling of their civil functions as given to them by the Congress.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from Indiana.

Mr. HALLECK. As the gentleman may know, there is a provision in the bill, on page 7, which would require that in respect to four named agencies, any reorganization proposal must come up in respect to them apart from and independent of any other proposal. One of those so referred to is the National Military Establishment.

Mr. BROOKS. That is correct.

Mr. HALLECK. It has been represented to me by some members of the Committee on Armed Services that that definition is broad enough to include the civil functions of the Army engineers. I am wondering if the gentleman so interprets it, or the gentleman from Georgia [Mr. VINSON] so interprets it.

Mr. BROOKS. That is my interpretation. I will say I have discussed the bill with the gentleman from Georgia [Mr. VINSON] and with other Members, and I personally feel it is broad enough to cover the civil functions of the Army engineers. But I cannot fail to feel some serious concern regarding any proposal that would seek to change the set-up by which the Army engineers handle the civil functions of the War Department.

Mr. HALLECK. Will the gentleman yield further?

Mr. BROOKS. I yield.

Mr. HALLECK. I wonder, for future use in determining the legislative intent, if some members of the committee on the majority side would say whether the language includes the Army engineers.

Mr. BROOKS. I trust the Members, by exercising use of the time they have in the course of debate, will express themselves. I am sorry that time does not permit at this time for them to express themselves. I want to continue to say that I have seen the work of the Army engineers in time of war and I think they must continue to have peacetime work to train them for emergencies. They must have "civil functions work" in time of peace, in order that they be an efficient, hard-working force in our national defense organization in time of war. I hope that no plan of reorganization coming to this body will take any present powers from them.

The CHAIRMAN. The time of the gentleman from Louisiana [Mr. Brooks] has expired.

Mr. JENKINS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Louisiana who has just spoken has raised a very important question, and our distinguished former leader, the gentleman from Indiana [Mr. HALLECK] has tried to clarify that. I think this is the right time to have an expression from the chairman of the committee, because, if this does not include the civil functions of the

Army engineers I am sure the temper of this House is such that we can insert language that will do that. I would like to hear the distinguished chairman of the Committee on Naval Affairs on this proposition.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield.

Mr. VINSON. I suggest to the Committee in the interest of orderly procedure that we dispose of the Hoffman amendment and then later deal with the question that has been raised by the gentleman from Louisiana as well as the gentleman from Ohio. We are beginning to get just a little bit confused. The question raised by the gentleman from Michigan [Mr. HOFFMAN] is whether this legislation should be permanent or whether it should terminate in 1953. When we come to the section dealing with the Military Establishment we will have a clear opportunity to debate the question.

Mr. JENKINS. I may say to the gentleman from Georgia that I agree with him that that will be the logical place to discuss this, but, inasmuch as it has been injected into the debate, I think it should be clarified now. What I want is that the Army engineers be not disturbed in the work they do for civil activities of the Government. We all know that the Army engineers are one of the most efficient agencies of the Government, and I am sure that Congress will not do this group any injustice. I hope the gentleman from Georgia will introduce the proper amendment at the proper time.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in relation to the amendment offered by the gentleman from Michigan [Mr. HOFFMAN] I hope that the Committee of the Whole will vote the amendment down. There are certain compelling reasons which prompt me to oppose his amendment. Experience has shown as a result of the passage of certain reorganization bills during the past 16 years or so that the fears we have entertained in the past need no longer be entertained by us. Furthermore, the reorganization of the executive branch is a continuing affair. I have no fear about a future President of the United States. I have no fear of a President after 1953; if it is not President Truman I have confidence that the man who will be in the White House will perform his duty in accordance with his trust and to the best of his ability, having in mind the best interests of our country and our people. I might disagree with him, but that is different from impugning his motives.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I am not saying that the gentleman does, that is not raised in the gentleman's amendment and I know it does not exist in the gentleman's mind, but I am expressing my thoughts as to why I oppose the amendment. In no way do I want my remarks to be construed by anyone as a thought on my part that the gentleman from Michigan [Mr. HOFFMAN] entertains any opposite view to the one I have expressed in relation to confidence in the present

or any future President. But I think we have had the experience that justifies us now in making permanent legislation out of a reorganization bill.

President Truman, in his message to Congress, specifically on two occasions emphasized that he hoped the Congress would pass a bill of a permanent nature; and former President Hoover, the only living ex-President we have with us today—and let us hope that he will be with us for many, many years to come—also is in complete agreement with President Truman. Each is in agreement with the other. Here we have one, the present President, one a former President, one elected as a Democrat, the other elected as a Republican, both urging the Congress of the United States to make this type of legislation permanent. I appreciate the fears entertained by those who want a limitation, and in disagreement I want any Member to know that I thoroughly respect his views and his right to entertain the views he has; but I think in the light of the evidence, in the light of the situation that confronts us now, and with our experience that we can take this step with permanent legislation particularly when two such eminent Americans as the President of the United States and a former President of the United States, both men of experience as Chief Executive of this country, are agreed on it.

One is the leader, from a party standpoint, of the Democratic Party. Notice I did not say as President, but as leader. As President he is President of all the people. He is a leader of the Democratic Party. No one will disagree with the statement that former President Hoover is one of the outstanding leaders of our country today and probably the recognized leader of the Republican Party. I think we can accept their judgment in the light of their past experience with confidence and vote to have this legislation permanent in nature.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Minnesota.

Mr. JUDD. I concur in the estimate the gentleman has made of the two individuals of whom he has been speaking. If when the act expires we have a President in whom everybody has confidence there will of course be no difficulty in extending it. But if the day comes when we have a President in whom we do not have confidence, we cannot easily end the power granted. He would veto our action and it would require a two-thirds vote. A doctor hopes for the best but prepares for the worst. If we should someday get a man as President that we cannot trust, we have given away our chance of bringing this power back to the legislative body. It is just when we might want to take it back that we would find we cannot.

Mr. McCORMACK. I stated that I respect the views of those who disagree with me; however, I think my friend is reacting to fear.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. NICHOLSON. Mr. Chairman, I move to strike out the last word.

Mr. DAWSON. Mr. Chairman, will the gentleman yield?

Mr. NICHOLSON. I yield to the gentleman from Illinois.

Mr. DAWSON. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment conclude in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

[Mr. NICHOLSON addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. HOFFMAN].

The amendment was rejected.

Mr. HALLECK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HALLECK: Page 7, line 20, after the word "commission" strike out the period and insert the following: "National Mediation Board, National Railroad Adjustment Board, Railroad Retirement Board, Federal Communications Commission, Civil Aeronautics Board, United States Tariff Commission, National Labor Relations Board, Federal Trade Commission, and Federal Deposit Insurance Corporation."

Mr. HALLECK. Mr. Chairman, in general debate I spoke on this matter at some length and I do not know as it is necessary to repeat too much of that now. I recalled then and I think probably I should recall now, because some of you may not have been here, that as these basic reorganization proposals have come up here from time to time there has been experienced on both sides of the aisle a great concern about the possible threat to the independence of action of the great quasi legislative and quasi judicial bodies of the Government. They are the creatures of the Congress. They are to carry out the will of the Congress. They should not be subjected to political control and certainly their actions and their decisions which so vitally affect the economy of the country should not be in the realm of political action. That is why many of us through the years have sought to protect their independence. That generally took the effect of specific exemptions in the legislation that we passed. Most recently, in 1945, there were a number of specific exemptions, and there was also language in that act that undertook to prohibit the limitation of the exercise of the independence of these agencies in respect to their quasi legislative and quasi judicial functions. Also in the 1945 act was a new device. It was a device that did not provide for exemption, and this amendment that I have provides for no exemption, but that device simply said that in respect to these great agencies any reorganization proposal affecting them shall come up here independent of any other reorganization proposal.

That is just simply so the Congress could act on that proposal without any reference to any other proposal, and make its determination. I say it does provide some fair safeguard for the continuing independence of those agencies and at the same time can affect in no

way the effective operation of this legislation.

If you have before you a copy of the bill, you will find on page 7, in subsection (b), in the last of that paragraph, four different agencies are so treated. They are not exempted, but it just simply is provided that separate plans shall come up for them. They are the National Military Establishment, the Board of Governors of the Federal Reserve System, the Interstate Commerce Commission, and the Securities and Exchange Commission. My amendment would simply add to that list a list that I assume is in this legislation with administration approval—in fact, I know it is in there that way because it has been so stated in the papers.

The Interstate Commerce Commission is included in the list of four presently in the bill. The Civil Aeronautics Administration is the same kind of an agency. It regulates the air carriers just as the ICC regulates the surface carriers.

As I said earlier in the debate, I want to support this legislation. I am supporting it. I worked on the committee in support of it. I offered this amendment in the committee. If any of you thinks that someone in some agency has pressured me into offering this amendment, may I disabuse your mind. No one has spoken to me about it. My action in this regard comes only from a deep conviction about the matter and a deep sense of the responsibility that I feel I owe the country in respect to the preservation of the independence of action of these great agencies.

I trust that this amendment can be adopted. As I say, it is no exemption, let us understand that. It simply provides that in respect to any one of these agencies the matter would come here free and clear of any sort of an entanglement, before the Congress could act on it.

I recall how the gentleman from Georgia came before the committee to get in there the language "National Military Establishment." He was quite vehement and vigorous in his contentions before the committee. He said, "All we want is our day in court in the Congress of the United States. All we want is the right to come in before the Congress and debate whatever plan may be up there affecting the Military Establishment, and not have it involved with other considerations."

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. BROWN of Georgia. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for one additional minute, so that I may ask him a question.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. BROWN of Georgia. I am very much interested in the Federal Deposit Insurance Corporation. Does the gentleman's amendment include that?

Mr. HALLECK. Yes, it does.

Mr. BROWN of Georgia. I think that should not be disturbed.

Mr. HALLECK. That was given the same treatment in the 1945 act. Also

the Railroad Retirement Board, the Mediation Board—I have that language here before me, but they were given the same treatment.

Mr. BROWN of Georgia. I certainly do not want this agency to go into the Federal Reserve.

Mr. HALLECK. I know many people have had concern about that.

This treatment in the 1945 act was accorded the Federal Communications Commission, the Federal Deposit Insurance Corporation, the United States Tariff Commission, and the Veterans' Administration. I did not include the Veterans' Administration.

I might also add that there was specific exemption in the 1945 act for the National Mediation Board, the National Railroad Adjustment Board, the Railroad Retirement Board, and the civil functions of the Army engineers.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. BROWN of Ohio. I congratulate the gentleman on leaving the Veterans' Administration out of the provisions of his amendment because the Commission is making a special report to the Congress on the Veterans' Administration alone. The Veterans' Administration will be considered by the President and by the Congress as a single entity.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we have another illustration by the offering of this amendment of an experience in connection with this legislation. In the first bill there were 21 exemptions. That was due to fear. In a later bill there were 12 or 14 exemptions and they were based on fear. Of course, it was honestly entertained at the time. But as time passed on and we gained experience we realized that in many cases some of our fears were unjustified. The amendment offered by the gentleman from Indiana will add a number of other agencies to the formula established by this bill in relation to the four agencies. The adoption of the amendment will only hinder reorganization and not help it.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. HALLECK. Of course, this is not an exemption to begin with. But does the gentleman contend that the inclusion of the four agencies named in the bill is a hindrance to reorganization?

Mr. McCORMACK. I did not say that those were exemptions. I said they were additions to the formula already in the bill.

Mr. HALLECK. If the additions will hinder reorganization, then will the gentleman say that the inclusion of the four agencies hindered reorganization?

Mr. McCORMACK. They hinder it much less than if the amendment of the gentleman from Indiana is adopted. We are very practical men. We realize there were 21 exemptions in the first bill which were placed in the bill because of practical considerations. Then as we gained experience because of practical con-

siderations there were 12 or 14 exemptions. Then we have had several more years of practical experience. As a result of that, we have had no exemptions, but specific reorganizations in the case of four of our agencies; that is, three agencies and one department. Again that is the result of practical experience. Now, what does former President Hoover say in his testimony on this particular subject?

The reasons for his views against any exemptions are:

I do not know any method by which the Congress can make a differentiation of executive and quasi legislative and quasi judicial functions in these agencies. It might be possible to arrive at such a definition with regard to them, but we have to bear in mind that there are such functions—quasi-judicial and quasi-legislative—in practically every department of the Government. We immediately get into difficulties if we try to make definitions. On the other hand, it would seem to me that Congress has an ample check on any action that would undermine those judicial and legislative functions when the President makes his proposed plans, and I should not imagine he is going to propose to do otherwise than to remove purely executive functions.

Mr. HALLECK. Will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. HALLECK. Speaking of the matter of hindrance, the gentleman earlier referred to the reorganization proposal in respect to the Civil Aeronautics Administrator. As I remember it, that was carried through to a successful conclusion, and it came up here as an order standing by itself, and affecting nothing other than the Civil Aeronautics Administrator. So there was accomplishment under this very formula in respect to that agency.

Mr. McCORMACK. And the gentleman will remember the furor that was raised at the time, and the fears that were entertained that it was going to put the agency into politics and that decisions would be made along political lines, and that it would lose its independence, although it was given independence within the Department of Commerce. None of the dire predictions has resulted.

Earlier in the day I called attention to a situation where the intent of Congress in the establishment of independent agencies has outgrown itself. It is not a question of one or two agencies that are arms of the Congress. We now have many of them. They are performing both quasi-legislative, quasi-judicial, and executive functions. We have established for all practical purposes—and this has no application to the Department of National Defense, because that is a department in itself—we have established in these independent agencies, for all practical purposes, a fourth department of government, and it is not enumerated in the Constitution.

The adoption of this amendment now, in the light of the experience we have had, in my opinion, would be a serious hindrance to real reorganization, and I hope the amendment will be defeated.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. McCORMACK] has expired.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. DAWSON. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. DAWSON. I ask unanimous consent, Mr. Chairman, that all debate on this amendment, and all amendments thereto, be limited to 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. BREHM. Mr. Chairman, I object.

Mr. HOFFMAN of Michigan. Mr. Chairman, this time is taken to state that if the gentleman from Illinois [Mr. Dawson], speaking previously, intended to say that I had some distrust of the motives of either former President Hoover or the present occupant of the White House, he was completely mistaken. I am not distrusting anybody, and I want that made perfectly clear.

Mr. DAWSON. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. DAWSON. I wish the gentleman to know I have the highest opinion of him and that no word of mine was intended to impute to the gentleman anything but the highest motives. My words were not calculated to state a feeling as stated by the gentleman.

Mr. HOFFMAN of Michigan. That is very kind, and I thank the gentleman very, very much.

This amendment is not a move to exempt these agencies, neither the four nor the additional ones proposed by the gentleman from Indiana [Mr. HALLECK]. If you will read the section, you will notice that all that section requires is that these plans, as to this, that or the other department; come up one at a time; just one at a time, so that the Congress may have an opportunity to act intelligently on the plan.

You will all recall that some time ago the President sent up three or more reorganization plans. One of those plans included three separate and distinct proposals, and it was rejected. It was rejected because of the inclusion, with two good ones, of one that the Congress, both the House and the Senate, considered inadvisable. That is why I think the committee accepted the amendment proposed by the gentleman from Georgia [Mr. VINSON], with reference to the Military Establishment. And then the others were added.

Now, the present amendment proposed by the gentleman from Indiana [Mr. HALLECK], merely asks that these other departments be considered in the same way. If the President wants to send up a plan, he should send it up in one package—not two, but one—so that the Congress will have an opportunity, both Houses, to act. We can get along with this thing very quickly.

When he was on the floor before the gentleman from Indiana asked the gentleman from Illinois to yield. The gen-

tleman from Illinois yielded. Then the gentleman from Indiana said:

I am wondering if the gentleman would agree with me that with the basic work that has been done by the so-called Hoover Commission with the enactment of this legislation and with the fact that the Congress is now Democratic as is the Chief Executive, this job ought to be accomplished in the next 2 years.

The gentleman from Illinois [Mr. Dawson] replied:

I think we ought to get a reorganization plan submitted to this Congress within the next few months.

There you are. In the revision made by the gentleman I notice the gentleman said "Within a very short time."

So if these plans will come up one at a time, one agency at a time reorganized, the Congress can very easily pass upon that one simple question; so I think we should have this amendment.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. JENNINGS. As I understand it, these agencies named in the amendment of the gentleman from Indiana [Mr. HALLECK] are agencies that have been created by this Congress and that in the discharge of their duties they are independent of the control of the Chief Executive, just like a court would be to act upon a lawsuit brought before it.

Mr. HOFFMAN of Michigan. That is right.

Mr. JENNINGS. But if they are included within this reorganization plan then the President could reduce them to mere automatons or people who could be pushed about and whose decisions might be controlled by the Executive.

Mr. HOFFMAN of Michigan. Not only that but I venture to bring it up here, as the gentleman from Georgia [Mr. VINSON] insisted with reference to the armed services—and I remember he appeared before the committee and there were 45 votes he told us on his committee. I do not think that was with any intimation that we ought to watch out for those 45 votes, but anyway he told us of those votes.

There is no reason at all why these other agencies should not come up in the same way. They are entitled to just as much consideration, I say, as the one that comes before the committee of the gentleman from Georgia [Mr. VINSON]. I notice he has nodded his head. I wish he would get up and make a talk.

Mr. VINSON. I will in a minute.

Mr. HOFFMAN of Michigan. Make a talk now before my time runs out.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. DAWSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. BREHM. Mr. Chairman, will the gentleman yield for a brief statement?

Mr. DAWSON. I yield.

Mr. BREHM. Would not this amendment, if adopted, prevent these railroad agencies from being absorbed, or taken up by some other agency or department, without having their day in court, without giving them a right to be heard? I am particularly interested in the Rail-

road Retirement Board, the Railway Mediation Board, and the National Railway Adjustment Board. I would like to see them if possible have their day in court before they are absorbed into some other agency. These organizations are self-supporting and do not cost the taxpayers one cent for administration or any other purpose.

Mr. DAWSON. The answer to the gentleman's question is "No"; they would have their day in court under the bill as written.

Mr. BREHM. They would?

Mr. DAWSON. They would.

Mr. Chairman, I yield back the balance of my time and ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. HALLECK].

The question was taken; and on a division (demanded by Mr. HALLECK) there were—ayes 86, noes 151.

So the amendment was rejected.

Mr. BAILEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BAILEY: On page 7, line 20, after the words "Securities and Exchange Commission", strike out the period, insert a comma and add "Railroad Retirement Board, National Mediation Board, and National Railroad Retirement Adjustment Board."

Mr. BONNER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BONNER. Mr. Chairman, these agencies were included in the amendment that has just been defeated.

The CHAIRMAN. The Chair may say to the gentleman that this is a different amendment in that in the previous amendment there were additional agencies included. The point of order is overruled.

Mr. BAILEY. Mr. Chairman, despite the action taken on the previous amendment I want to press for the adoption of the present one. I predicate my position on the assumption that the committee which studied this legislation and reported it to the House must have had some sound, basic reasons for extending preferential consideration to the National Military Establishment, the Board of Governors of the Federal Reserve System, the Interstate Commerce Commission, and the Securities and Exchange Commission. I submit, Mr. Chairman, there are sound basic reasons why the Railroad Retirement Board, the National Mediation Board, and the National Railroad Adjustment Board should be extended this same preferential treatment.

May I call the attention of the Members of the House to the fact that the Railroad Retirement Board is not a Government functioning body. There are no governmental tax moneys involved. This is a Board created and financed by assessments against the wages of the individual workers in the railroad industry and the railroad companies. The Government only functions in the status of a trustee. I never heard tell of a trusteeship being dissolved except by some order of the court. I thought a trusteeship once set up was sacred. Yet we are proposing to bring this in under one of the

other departments of our Government which may drag these agencies into politics. If there is one thing you can say about its administration and its functioning in the past it has been free of politics. What is said about the Railroad Retirement Act can also be said about the Railroad Mediation Board. I submit, Mr. Chairman, that there has been less trouble between labor and management in the functioning of that Board than in all the other labor legislation.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Tennessee.

Mr. JENNINGS. I entirely agree with my distinguished friend. A large number of railroad employees from my home town of Knoxville brought that very question up to me as I came in this Chamber this morning. It would be a blunder, and I think a grievous blunder, to interfere in any manner with the independent, impartial status of those agencies.

Mr. BAILEY. I thank the gentleman.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Ohio.

Mr. BREHM. I also agree with the gentleman. A bit ago I asked the question if they would have their day in court, and the chairman of the committee assured me that they would have. Now, would it not be possible, if this legislation becomes a law, to group these railway agencies in with other legislation which might have some good features in it, and then have the railway organizations become lost in the shuffle and become part of the Labor Department?

Mr. BAILEY. Yes.

Mr. BREHM. Which we do not want.

Mr. BAILEY. The gentleman is right.

Mr. BREHM. I will support the gentleman's amendment.

Mr. BAILEY. In addition, let me say that I assume the object of this reorganization bill is one of economy. I remember that there was a tremendous amount of savings stressed when the committee proposing this legislation reported it. The assumption is that you will be able to let out hundreds of thousands of Federal workers. I want to say to you that there are probably less than 150 or 200 employees involved in all three or four of these railroad boards that I am asking for this preferential treatment. You will not effect any savings to speak of, because there are only a few employees attached to each one of the functions. I would also like to ask the consideration of the House that we keep, so far as possible, just as many of our governmental functions out of politics as possible. I believe it can be said of these railroad functions that they are not now and have not been matters of party politics, and I strenuously object to their inclusion in one of the ordinary functions.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from California.

Mr. HOLIFIELD. I will say to the gentleman that he realizes that the Railroad Retirement Act sets up the Railroad

Retirement Board and that the function thereof is basic legislation; that no change could be made in the death benefits or the pensions or any other functions of that act. It would require enabling legislation to be sent to the Congress, and if any administrative economy could be performed within the Board itself, the gentleman certainly would not object to the President, who is deeply concerned with the rights of labor, presenting a plan for the Congress to decide upon that would recommend certain economic or efficiency measures within it without changing any of the basic provisions.

Mr. BREHM. How about the Social Security Administration?

Mr. BAILEY. I will answer the gentleman by saying that regardless of what action we may take, it is still a trust fund and I do not think that Congress should have any business dealing with it.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to revise and extend any remarks that I make on the floor today.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. For a question.

Mr. BREHM. I just want to say that in my opinion it would be a shame to put any of the railroad boards under the Social Security Administration, which could happen if this legislation passes as it is now written.

Mr. HOFFMAN of Michigan. It would be worse if you put it under the Labor Board.

Now, Mr. Chairman, I have been wondering what position the gentleman from Massachusetts [Mr. McCormack], and the gentleman from Illinois [Mr. Dawson], are going to take on this amendment. As I said a moment ago, I do not distrust or challenge the motives of the President or of any former President nor, I may add, of any Member of the House or the other body, but I try to be a realist. But it is strange indeed that all the trust must be on one side. If we should not and if we do not mistrust the present President, why should not the President trust the present Congress, or at least trust a majority of the 435 members of this body, a majority of the 96 members of the other body?

Why not mutual trust? Why not require the action of the other body and the House, or of at least one body entrusted with the legislative power to act, as the Constitution contemplated, affirmatively upon any matter presented to it before that matter became the law of the land? I am wondering now, when from the press, at least, yes, when from a committee of the other body, the Labor Committee, come reports that the Secretary of Labor came up and asked for the repeal of the Taft-Hartley Act, and if I understood correctly, the re-enactment of the Wagner Act. He asked for the transfer of the Mediation Service over to

the Department of Labor. He is going to make the National Labor Relations Board, if he gets the legislation he wants, a part of the Department of Labor.

We notice in the press that organized labor is saying to the President, "We elected you," and let me add that they are saying that to the Members of the House and I assume to the Members of the other body. "We elected you; now, come on. Give us what we say you promised during the campaign."

The CIO is only one segment of labor. The railroad men are laborers and workers, too. They are saying, "If this railroad legislation and the railroad organizations are going to be at the mercy of the President, if he wants to send down a plan sticking them over in the Department of Labor, reject it. We do not want that." Do you gentlemen in the majority want these independent agencies or their functions, their duties, transferred to the Department of Labor, which is under the control of or is favorable—and rightly so—to organized labor? But to all of it—not just to the CIO as it seems to assume.

Of course the Labor Department speaks for organized labor, but unfortunately at the moment it is speaking for one segment of organized labor. The CIO assumes that it elected the President and a majority of the Members of Congress, so they are demanding now, not only asking, they are demanding now that the Congress come across and pay for that election by legislation favorable to it. Put some of these agencies like the Railway Retirement Board in Social Security or the Labor Department and soon you may find CIO again raiding the A. F. of L. and perhaps the railway unions.

I agree with the gentleman who just left the well of the House that labor legislation which applies to the railroad workers has worked exceptionally well over the years. No one has found any particular fault with it. So if it is to be tampered with, let us say, if it is to be improved, let it come up as the gentleman then proposed, in one package, so that the Congress, this House and the other body, may have the opportunity of saying whether we want that labor organization to be transferred over to and put under the jurisdiction of the Labor Department or the Social Security Agency.

Mr. DAWSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is just some of the procedure that the Congresses have faced in past years and have yielded to, and by virtue of having yielded, have passed bills that did not enable the President to do the job they were hoping he would do.

You saw these organizations or these branches or agencies named here included in an amendment a few moments ago. You saw them voted down. Then you saw them come to us once again standing by themselves, on the theory that we are going to do something to them, that this bill does something to them.

This bill is not going to put any agency anywhere. This bill is not going to interfere with any agency, to take anything

from them or give them anything. This bill is plainly enabling legislation in order to give the power to the President to do a job of reorganization that must be done.

All these agencies that come and ask us now to make special provision for them are but the creatures of ourselves, the creatures of the Congress. Any plan the President submits or draws up or presents must come back to the Congress once again.

The legislation provides that the plan must be sent to the Congress. After the plan comes to the Congress, the Speaker of the House will refer it to the appropriate committee. There the committee is given a certain length of time to take action on it. Then a friend of any agency that is affected by that plan—not by this legislation but by that plan which the President submits—may file a resolution to reject it. That goes to the committee. If they do not act on it, then any member who is in favor of that resolution can move to discharge the committee and bring it to the floor of the Congress. Therefore, this bill makes adequate provision to protect every agency. The President cannot do anything to any agency unless it comes back to the Congress. What are we going to do here today? Are we going to pass a bill which is going to do the job which should be done? If any of these agencies are examined and if any of the Executive powers can be changed to the benefit of the taxpayers, should not that be done? In 1 minute we hear talk about the size of the Government and how the agencies are eating up the taxpayers money. I have heard Members standing here telling us about some of these same agencies which now do not want to be included in this bill. They tell us that they have grown so big that no Congressman can talk to them any more.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. DAWSON. I yield.

Mr. BONNER. Under the decision recently rendered by the Chair, if this amendment carries, then it will follow that each item which was defeated in the so-called Halleck amendment can come up one by one and other items can come up one by one. Thus you will be here all afternoon voting on separate agencies when they have all been beaten collectively in the so-called Halleck amendment.

Mr. DAWSON. Mr. Chairman, I thank the gentleman for his contribution.

Mr. Chairman, may I say further, we have had our public hearings. Every agency had an opportunity to appear before us. If there were any reasons then to do the thing which they seek to have you do now, your committee would have acted thereon. Therefore, I am saying that this is but an instance of how former Congresses have failed to do the thing we are now trying to do. We have endeavored to bring to the Committee of the Whole a bill that will work. We have tried to bring to this committee a bill under which the President can reorganize the executive departments and do all the things that we have been talking about. The terms of the legislation are clear.

There are no exemptions in it, and there should be no exemptions in it.

The President is not going to interfere with any agency that is functioning in the best interests of the people. If the President did interfere, do you not know that officials of that agency would immediately alert the very Members who are standing here now?

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. McCORMACK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McCORMACK. Was not the unanimous consent request of the gentleman from Illinois [Mr. Dawson] limiting debate granted by the Committee?

The CHAIRMAN. The gentleman is referring to a request made concerning the previous amendment and which does not apply to the pending amendment.

Mr. WITHROW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, my purpose is to ask the gentleman from Illinois a question. The gentleman has made very much of a point of the fact that exemption of this railroad retirement group would prevent a great deal of money being saved to the taxpayers. I would like to have you show me how in any way, if you cut down the amount of money that is spent by that organization, cut it in half, how you would in any way help the taxpayers, bearing in mind that the money that is paid to the Railroad Retirement Board, 6 percent comes out of the employee and 6 percent from the employer. How would you save the taxpayers any money? This is truly an independent function.

Mr. DAWSON. Are there any administrative workers there at all? Do they exercise any functions of the executive department at all?

Mr. WITHROW. They are all paid out of the money that comes into the fund by reason of the 6 percent that is taken from the employee's wages, and the 6 percent that is paid to the Railroad Retirement Board by the railroad companies.

Mr. DAWSON. This bill does nothing to destroy any function set up by law, nor can any reorganization plan of the President do that; but if there are any executive functions, either in itself or related to other agencies, then the President can combine them, in order to have them work more efficiently, or for the sake of economy, and then it will be brought down in a plan, and if it is not a good plan, you and the others in this Congress, including myself, will reject that plan.

Mr. WITHROW. The gentleman has not answered my question. My question is: How will the taxpayers be saved any money, if you cut the railroad retirement administration 50 percent?

Mr. DAWSON. If you cut it in two, you would be bound to save some money.

Mr. WITHROW. Where would that money go? It would go back into the fund, would it not?

Mr. DAWSON. Certainly.

Mr. WITHROW. And how would it save the taxpayers any money?

Mr. DAWSON. If in its administrative function any of the personnel can

be cut down, which are paid for by the Government, then that will be a saving to the taxpayers. Your question has nothing to do with the Government. You seek to intimate that this legislation can affect basic legislation where we set up an agency. That cannot be done under this bill and that cannot be done under any reorganization plan proposed by the President.

Mr. WITHROW. You are attempting to place me in a position that I will not be placed in.

Mr. DAWSON. And you are attempting to put words into my mouth.

Mr. WITHROW. No; just a moment. I am in favor of this legislation. I have confidence that the President of the United States will do a good job, but I do object to your saying that it is going to save the taxpayers any money when the taxpayers do not have anything to do with this Board.

Mr. DAWSON. There are some of its functions that are executive. Then those employees must be paid by the Government.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. WITHROW] has expired.

Mr. BREHM. Mr. Chairman, I move to strike out the last word. The gentleman from North Carolina [Mr. BONNER] made the very point which has disturbed me so much. The gentleman said that if we now pass this amendment relating to the railroad boards, then each of the others previously voted down in the Halleck amendment will come up in turn, and you will be voting on all of them all over again. That is exactly what can happen to the Railroad Retirement Board, the Mediation Service, and the Adjustment Board. They can be lost in the shuffle. They can be pushed into another agency, say, like Social Security, and be brought up here and thereby lose their identity. What is wrong in permitting those agencies to be brought up here separately and acted upon? You bring them up in one large package and there may be incorporated in that particular package something which may be good; and you will destroy them. That is exactly what I am fearful of. You will vote for the good in the package and take the evil along with it.

Mr. DAWSON. That very thing would prevent the President from ever putting a bad plan in with a good plan.

Mr. BREHM. Oh, he is still a human being and subject to the frailties of human nature. A person can be sincere and still make mistakes.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. BREHM. I yield.

Mr. HOFFMAN of Michigan. Just a moment ago the gentleman from North Carolina [Mr. BONNER] made a statement that we wanted to vote on this bill tonight and therefore we should not fool around with quite so much debate, or words to that effect.

Mr. BONNER. Will the gentleman yield?

Mr. HOFFMAN of Michigan. Yes; I yield.

Mr. BONNER. The gentleman is not correct. Now, let us get it straight. The

question that is now being debated has been debated and has been voted on. By a ruling of the Chair, the question has arisen again individually, or in this case with two or three other organizations thrown in.

Mr. BREHM. It is not going to cost anyone a penny nor is it going to save a penny for anyone if this amendment prevails. However, it may save a most essential service to the railway brotherhoods for which they and their employees have been paying for the past 10 years.

Mr. HOFFMAN of Michigan. Yes; all right; and under—

Mr. DAWSON. So it is just a repetition of the debate and a repetition of the decision which the committee has already made.

Mr. HOFFMAN of Michigan. I admire the gentleman very much. I am sorry I cannot agree with him in this instance. We should have some opportunity to debate the bill. If you expect to finish this bill tonight, do not force us too much.

Neither in the committee nor in the House has anyone on the minority side raised the slightest objection or done anything to delay matters, but we do want to discuss some of these items; and, if you go to strict parliamentary procedure and gag us, you cannot possibly vote on this bill tonight if somebody wants to object; not tonight. All we want is a little consideration.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The question was taken; and on a division (demanded by Mr. BAILEY) there were—ayes 122, noes 99.

So the amendment was agreed to.

Mr. ROGERS of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Florida: Page 7, line 20, after the period insert the following: "No reorganization plan containing any provision affecting any civil function of the Corps of Engineers of the United States Army or of its head, or affecting such Corps or its head with respect to such civil functions shall take effect until the two Houses of Congress pass a concurrent resolution which states in substance that the Congress favors such new reorganization plan."

Mr. ROGERS of Florida. Mr. Chairman, I am not an enemy to this legislation; this is a friendly amendment and I am supporting this bill because I believe this Congress should approve of anything that would bring economy in our Government, less spending, and more efficient Government, and the doing away with duplication and overlapping.

I am sure none of us has had any criticism of the Corps of United States Army Engineers. They are doing a wonderful job. They have been in existence for 174 years and I do not know of any organization plan that could better the operations of this particular branch of our Government.

I am not asking by my amendment that the Corps of Engineers be exempted from any reorganization plan. In the act that we passed in 1945 that organization was exempted and I have used the

same language in this amendment as was used in section 5, subsection (e), of the reorganization bill passed in 1945.

We are all satisfied with what the Army engineers are doing. They work in peacetime taking care of your floods, taking care of your rivers and harbors and taking care of a lot of our problems that are particularly interesting to our local governments.

I do not see how anyone can have any possible objection to my amendment. My amendment says that before any reorganization plan in reference to the Corps of Engineers shall go into effect the Congress must approve by concurrent resolution. In other words, it is affirmative action instead of negative action. If we take it as it is and they are involved in some reorganization plan, then we have to act within a period of 60 days, else the plan becomes effective.

The Corps of Army Engineers is primarily for the people. This is something you ought to be interested in. I do not want any plan to go into effect, whether proposed by the President or anybody else, until the Congress has had an opportunity to scrutinize the program and the purposes therein. When the Congress has it up for consideration, the Congress could say: "Mr. President, you have done a good job and we approve it. The Corps of Engineers ought to be changed." When that happens and the Congress agrees, good and well. The organization itself is not exempted.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman from Michigan.

Mr. DONDERO. If the Corps of Engineers are not taken out of the bill where do they go and how do they function?

Mr. ROGERS of Florida. I cannot answer that question because I do not know where they are going. But if we adopt this amendment, before anything is done, before any plan becomes operative and effective, this Congress by affirmative vote must say it is a good plan and we must affirmatively adopt it by a concurrent resolution of the Congress. It takes action on the part of both Houses. If we get some plan that is not good we can reject it. This is simply a question of whether we are going forward or backward.

Mr. DONDERO. I agree with the gentleman from Florida.

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman from California.

Mr. WHITE of California. The gentleman said that he could not answer the gentleman's question in regard to where the civil functions of the Army engineers would go. I think I have the answer. Those functions could be taken over by the United States Bureau of Reclamation, insofar as reclamation projects are concerned, or flood control, in areas where reclamation, power, and flood control go together, and they certainly should be combined.

Mr. ROGERS of Florida. Nothing could be done so far as the Army engineers are concerned, and no plan could become effective, until the House and

Senate by affirmative action stated it could be. I hope the amendment will be agreed to.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. VINSON. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, I respectfully request the attention of the committee while I try to explain what is meant by the amendment offered by the gentleman from Florida, and what is proposed in subsection (b). The distinguished gentleman from Ohio [Mr. JENKINS], asked if by using the words "National Military Establishment" it included the civil functions. I respectfully call his attention and the attention of the committee to the Securities Act of July 26, 1947, which specifically sets out what constitutes the National Military Establishment. It states:

The National Military Establishment shall consist of the Department of the Army, the Department of the Navy, and the Department of the Air Force, together with all other agencies created under title I of this act.

So there can be no doubt, wherever used in the law, the words "National Military Establishment" do include all component parts of the Army, the Navy, and the Air Force.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Ohio.

Mr. JENKINS. Then there can be no doubt in the gentleman's mind that the civil functions of the Army engineers is a secondary matter with them, and that their connection with the Army itself brings them within this bill.

Mr. VINSON. Absolutely; there is no doubt about it. This amendment was prepared by the Drafting Service not only of the Armed Services Committee but by the Drafting Service of the House, so the House can fully understand that wherever used in here, "National Military Establishment" means the civil functions of the Army engineers.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I thoroughly concur in the statement made by the distinguished gentleman from Georgia, and I want the Record to show that in putting the National Military Establishment in here, that the committee intended that that included the United States engineers within this formula.

Mr. VINSON. If there is any doubt in any man's mind, and to make it doubly sure, after the words "National Military Establishment," someone could offer an amendment to put it in brackets "including the civil functions of the Department of the Army." But there is absolutely no need to do so because the words "National Military Establishment" mean all components of these services.

Mr. JENKINS. Mr. Chairman, if the gentleman will yield further, is it not true that the distinguished gentleman from Massachusetts was at one time a member of the committee from which this bill originates, and is now?

Mr. McCORMACK. I am a member now.

Mr. VINSON. To set the Record straight, I will ask the chairman of the Committee on Expenditures in the Executive Departments if he does not interpret the words "National Military Establishment" to include the civil functions of the Department of the Army.

Mr. DAWSON. That was the understanding of the committee, and the language was used with that in view.

Mr. VINSON. That is it exactly.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from California.

Mr. JOHNSON. Would this give the President the power to delimit the jurisdiction of the engineers? For instance, one of the members suggested that they should not build any more stands. Could the President take out that part and the rivers and harbors part?

Mr. VINSON. In 2 or 3 minutes I will explain what this amendment does. I appeared before the committee and suggested that an amendment along this line be considered. The committee after considerable debate, reached the conclusion to draft it in the language set out in the bill.

Now, what does it do? I am addressing this strictly to the Military Establishment. It simply means if the President of the United States wished to submit to the Congress a reorganization plan to take the civil functions of the Corps of Engineers away from the War Department and put it in the Interior Department, he would have to send that up here in a reorganization plan separate and distinct. It could not be tied in with any reorganization plan with reference to any other civil agencies or functions of different departments. It would have to come here so that the Congress could determine that sole cut issue, and, of course, as a Member of the House, if such an issue comes up, I would be very much opposed to it.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. VINSON. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. JOHNSON. There is still this question: Could they take part of the jurisdiction of the engineers away from them?

Mr. VINSON. He could not touch the Corps of Engineers or any agency of the National Military Establishment and mix it up with any other function of the Government. They have to come here separate and distinct. This language is so written that he cannot take one thing away. However, he can do this: He can add some other agencies to the Military Establishment without sending it separate, but he cannot take one iota of the

power or authority from the Army, the Navy, or the Air Force without sending it here as a separate proposition. That is all it does.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. ROGERS of Florida. Is it not true that my amendment is in accord with the bill?

Mr. VINSON. The gentleman's amendment would disturb the whole situation, because he would require it to be an affirmative act instead of a negative act. He would require that the Congress would have to approve it in a particular resolution by a vote of the House and Senate, and the bill is based on a different basis.

Mr. ROGERS of Florida. Is it not true that they would have to do that anyhow, according to the statement made here? Before the organization could do anything there would have to be a plan?

Mr. VINSON. The provisions of the bill are such that when it comes in here the committee taking jurisdiction of it must act within a certain time. If one House disapproves it and the other House approves it, it becomes a reorganization plan. The gentleman's statement provides that before it can become a reorganization plan it must have the sanction of both Houses.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Michigan.

Mr. DONDERO. Does it not also mean that if this amendment is adopted the President could not take the Corps of Engineers or the civil functions and place them over in the Department of the Interior, and then say to that Department, "From now on you shall have charge of all the river and harbor work of this country?"

Mr. VINSON. He would have the authority to do so. He would have the authority to take the Marines and put them in the Army. He would have the authority to take Naval Aviation and put it in the Air Force. But when he would do it, he would have to send it to Congress on that one issue and then Congress could debate it. I am perfectly willing on any reorganization plan to have an opportunity to present the reasons why certain things should not take place.

Mr. DONDERO. But only in case the gentleman's amendment passes this House.

Mr. VINSON. No. His amendment would disturb it.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Louisiana.

Mr. BROOKS. The gentleman is the chairman of the committee on which I have the honor to serve. May I say that I am of course deeply concerned that the status of the Engineers be not changed.

Mr. VINSON. So am I.

Mr. BROOKS. I am happy to hear the gentleman say that.

Mr. VINSON. I am very much opposed to taking them away.

Mr. BROOKS. Is not the proper interpretation of the amendment offered by the gentleman that no reorganization can occur but what every Member of the House of Representatives will have the right, in the event the committee fails to report it, to call it up for a vote before the House?

Mr. VINSON. That is right. I am merely safeguarding this organization by saying that when you propose to reorganize it you cannot mix it up, you must send it in in a separate package, and any Member of Congress, under the bill, has a right to call it up and let a majority of Congress determine what is the proper thing to do about it.

Mr. JOHNSON. If the gentleman will yield further, the Rogers amendment would not do that; it would just muddy the waters.

Mr. VINSON. The amendment would accomplish just exactly what I have said. It is as plain as the nose on your face.

Mr. JOHNSON. Is it the Rogers amendment about which the gentleman is talking?

Mr. VINSON. I am talking about what is in the bill.

Mr. JOHNSON. Yes, but the gentleman from Florida [Mr. ROGERS] has offered an amendment.

Mr. VINSON. His amendment in the first place is not necessary, because the Corps of Engineers is within the purview of the committee bill.

Mr. JOHNSON. I agree with the gentleman.

Mr. VINSON. Yes, exactly. Therefore, I am asking this Committee to vote down the amendment offered by the gentleman from Florida [Mr. ROGERS] because it is not necessary. The Corps of Engineers is amply protected. We will have a separate vote on it whenever it comes in here. That is not the only thing in the reorganization of the Department of National Defense that might come up. There are other important items that might come up.

Mr. PICKETT. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. PICKETT. Under the present law which you favor, if there were a reorganization proposal for the National Military Establishment set down which provided for something that the House did not approve of and the House rejected the proposal, it would still go to the other body and if approved there, the reorganization plan would take effect, would it not?

Mr. VINSON. That is the provision in the bill and it not only relates to this, but relates to everything else in the bill.

Mr. PICKETT. Therefore, the language of the present bill does not actually take care of the situation that the amendment offered by the gentleman from Florida [Mr. ROGERS] is directed to.

Mr. VINSON. I believe that if we could justify a negative decision on a proposal, the other body would probably go along with our viewpoint.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. DAWSON. Mr. Chairman, I ask unanimous consent that debate on this

amendment and all amendments thereto end in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois [Mr. DAWSON]?

Mr. COLMER. Mr. Chairman, I object.

Mr. DAWSON. Mr. Chairman, I move that debate on this amendment and all amendments thereto end in 10 minutes.

The motion was agreed to.

Mr. HOFFMAN of Michigan. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN of Michigan. Mr. Chairman, may I ask if there was a demand for a reading of the engrossed copy, would there be a vote on this bill tonight?

The CHAIRMAN. The Chair would advise the gentleman from Michigan that such a question would arise in the House and not in the Committee of the Whole. Therefore, the Chair cannot pass on the gentleman's inquiry at this time.

The Chair recognizes the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Chairman, of course, the committee realizes what discussion can be made about this matter in 1 minute, but I will use that 1 minute to make this brief statement.

If the gentleman from Georgia, the chairman of the Committee on Armed Services, and others profess a great respect for the Army engineers that we all entertain, then why not adopt this amendment and end this question now as to whether or not the Army engineers ought to be disturbed. I would much prefer to go further than this and write a direct exemption here with reference to the Army engineers because it's the one arm of this Government which enjoys the confidence and respect of every Member of Congress.

Mr. Chairman, I hope the amendment will be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. LARCADE].

Mr. LARCADE. Mr. Chairman, I rise to address you as a member of the Committee on Public Works to say that I regret very much that the gentleman from Mississippi, the chairman of the committee, Hon. WILLIAM M. WHITTINGTON, whose judgment is respected so highly by the Members of the House, and who has taken such an active part in flood control and rivers and harbors work in the Congress for the last 20 years and who has been dealing with the Corps of Engineers during all of that time, was called away for a flood-control meeting in St. Louis, and as a result I know that he is missed in this debate by the Members of the House. Had it not been for the fact that our chairman made a previous engagement several months ago, he would have been here today. However, I do want to say that I have contacted the gentleman from Mississippi [Mr. WHITTINGTON] in regard to the section with respect to the Corps of Engineers under discussion, and that it is his opinion that, under the provisions of

this legislation the Corps of Engineers are protected.

(Mr. LARCADE asked and was granted permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Arkansas [Mr. TACKETT].

Mr. TACKETT. Mr. Chairman, I will yield my 1 minute to the next speaker.

The CHAIRMAN. The gentleman from Texas [Mr. PICKETT] is recognized.

Mr. PICKETT. Mr. Chairman, I rise in support of the Rogers amendment. I think the gentleman from Mississippi [Mr. COLMER] stated the case exactly a moment ago when he said this issue ought to be decided now. Under the proposed bill, as it is presented by the committee and as it will be passed unless the Rogers amendment is adopted, you have a situation where if a reorganization plan involving the Corps of Army Engineers is submitted, you must take positive action to reject that proposal in both Houses, else the proposal will become operative and become a part of the reorganization plan. Under the Rogers amendment you are required to act affirmatively, in both bodies, upon the proposed reorganization plan. So you have this situation under the bill as the committee wants it passed: A proposed reorganization plan involving the Corps of Engineers might be deemed to have no merit and be rejected by the House, but the other body may not do so. Then the proposed plan becomes operative as a reorganization plan though the House has rejected it. The Rogers amendment corrects that situation and requires affirmative action by both Houses approving it before such a proposed plan can become operative. The amendment then is a guaranty no amalgamation of the Corps of Engineers to the detriment of its performance can be effected.

The CHAIRMAN. The time of the gentleman from Texas [Mr. PICKETT] has expired.

(Mr. PICKETT asked and was granted permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. Brooks].

Mr. BROOKS. Mr. Chairman, I have already spoken on this amendment. I ask unanimous consent to extend my remarks at this point, and I yield back the remainder of my time.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana [Mr. Brooks]?

There was no objection.

Mr. BROOKS. Mr. Chairman, I am deeply sensitive of the need for reorganization legislation. At the same time, I am not unmindful of the magnificent work which has been performed by the Corps of Army Engineers. I express the deep concern which I feel that some misguided reorganization plan may affect this great organization. I think any plan which may affect the organizational integrity of the engineers would be a serious mistake and may hurt our defense establishment.

I have seen the Corps of Engineers work, both in war and in peace, and I feel that we have just the set-up which is most conducive to a well-trained and efficient Corps of Engineers. The country generally is satisfied that they are doing the job efficiently and wants no change.

I recognize that the Committee in drafting this measure was compelled to follow fundamental rules. The Committee did not wish to exempt any agency from the operation of this bill. But the Committee did prescribe that the engineers and other military organizations, if they are subject to reorganization under this measure, should be placed in a separate plan so that this body may cast a separate vote upon the plan submitted. I personally would like to go further and entirely exempt the Corps of Engineers. Since this is not now practical, I am going to accept the present language of the bill with the hope that the Senate may go much further in the degree of protection which it may give to an organization which has functioned since the very beginning of this Government with superb credit to itself and to our people.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Chairman, I offer a preferential motion which is at the Clerk's desk.

The CHAIRMAN. The Clerk will report the motion.

The Clerk read as follows:

Mr. HOFFMAN of Michigan moves that the Committee do now rise and report the bill back to the House, with the recommendation that the enacting clause be stricken.

(Mr. HOFFMAN of Michigan asked and was granted permission to revise and extend his remarks.)

Mr. HOFFMAN of Michigan. Mr. Chairman, I am sorry to have to make a preferential motion, but, as stated once before, neither in committee nor on the floor of the House has there been the slightest inclination by anyone on this side to in any way delay or hinder consideration or passage of this legislation.

As a matter of fact, if I judge the sentiment on our side correctly, I know of no one who opposes the principles laid down in this bill. There are those of us who do object to the method but we are not disposed to start a filibuster, but here is an amendment that has been offered. Some of the Members want to talk about it—but are being denied the opportunity. Now, what does this amendment provide? Who now is afraid? And of what?

I spoke earlier, and I will speak later on, if occasion requires, about an amendment which will not only enable but will force the House and the other body to act one way or the other, vote a plan up or down, any and every plan which may come down from the Executive Office.

This particular amendment seeks to make it certain that the engineers cannot be put out of business without the consent of the Congress. The gentleman from Georgia [Mr. VINSON]—and I have the highest respect for his judgment and for his opinion—he, it may be said, if I might use such language on the floor, has been the daddy or the guardian

of the Navy. Now he has assumed the same role, and I know of no man better qualified to take it, of all the armed forces. What he was afraid of was that if this bill went through without the amendment which he put in during consideration by the committee—requiring that any plan having to do with the armed services should come up in one package—he was afraid that by the inaction by either branch of the Congress it might go through and something might be taken out of the National Defense Establishment.

I fear he may wake up some fine day—I believe he will, if he does not watch his step—and learn that legislation affecting the Engineers, putting them out of their civil functions will come up to the House. Then what happens? One Member of the House can bring it up and we will all vote on it. But suppose someone in the other body starts a filibuster or that no one there wants to take it up; there is nothing that can force them to take it up. We can vote the plan down; every Member in the House can vote against it; but unless we find some way of making the other body act, the plan will still be the law of the land and the Engineers or any other agency or function of an agency will be out of existence. It is that situation, it is that danger, that the gentleman from Florida [Mr. ROGERS] seeks to avoid.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. VINSON. Is not what the gentleman says true of every other reorganization plan?

Mr. HOFFMAN of Michigan. Of course it is; and that is why I want to preserve the constitutional method of legislating. I propose to offer an amendment which will compel this body and the other body to act before a plan can become a law.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. HALLECK. Do I understand that this amendment if adopted would provide for this one agency of the Government an entirely different method of procedure as far as Congressional approval or disapproval is concerned?

Mr. HOFFMAN of Michigan. I dislike to answer that because the answer will mitigate against the amendment I am going to offer later on applying the same procedure to all plans which may be sent down.

The situation is this: The first love of the gentleman from Georgia [Mr. VINSON] is the Navy, his second love is the Army, the third is the Engineers, and the Engineers, like the Marine Corps, have worked perfectly. No one wants to see the Engineers put out of business; but if we do not watch our step, and if perchance the other body should fail to act or not act in concert with us, then the civil functions of the Engineers might in some reorganization plan go out of the Department.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. VINSON. Does not a Senator have the same right to bring up legisla-

tion on the floor of the Senate that a Member of the House has in this body?

Mr. HOFFMAN of Michigan. Yes; sure. But will he?

Mr. VINSON. Why should we treat the Corps of Army Engineers by a separate method of determination from the others?

Mr. HOFFMAN of Michigan. That is just what you did with your amendment inserted by the Committee at your request as subdivision (b) of subdivision 6 of section 5 of the bill, when you provided for consideration of any plan affecting the "National Military Establishment."

Later, three other agencies were also given special treatment in reorganization plans.

I favor this amendment, because if I cannot get all I want I am willing to take what I can get to save one of our best agencies, the Engineers. Certainly any Member of the Senate could bring it up, but I ask the gentleman how long has the civil rights program been under consideration over there? Both parties are pledged to that program but strange, strange indeed, it has not been acted upon in that body.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. ROGERS of Florida. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended for 1 minute to answer a question.

The CHAIRMAN. The Chair would state that on the preferential motion there are 5 minutes in support of the motion and 5 in opposition.

The question is on the motion of the gentleman from Michigan.

The motion was rejected.

The CHAIRMAN. The gentleman from Arkansas [Mr. GATHINGS] is recognized for 1 minute.

Mr. GATHINGS. Mr. Chairman, the Corps of Army Engineers was started by George Washington, and was continued by every President of the United States right on down the line through Franklin D. Roosevelt and Harry S. Truman, all having acquiesced in the good judgment of the first President. That is the reason for this furore here; that is the reason we want to see something done about the Corps of Army Engineers. We realize that it is necessary to keep these officers busy in peacetime as well as in times of war. The peacetime accomplishments of these men are most beneficial to the Nation in an emergency.

What would result if the Corps of Army Engineers were to be thrown over into the Public Works Bureau? I will tell you what that would mean. It would mean a mammoth organization with one big head possessing more power than any official in the executive branch of this Government should have. So, Mr. Chairman, we ought to support this amendment offered by the gentleman from Florida. Let us write his amendment in.

It is an affirmative expression on the part of the Congress. Should the President send over a proposal to consolidate the Corps of Engineers with some other department we, in each House, would only have 60 days to reject such a plan. The 60 days passes in a hurry sometimes and because of other important matters

pending in both Houses it is difficult to obtain a vote in both Houses. I trust that the amendment of the gentleman from Florida [Mr. ROGERS] will be agreed to.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

(Mr. GATHINGS asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The gentleman from Louisiana [Mr. BOGGS] is recognized for 1 minute.

(Mr. BOGGS of Louisiana asked and was given permission to revise and extend his remarks.)

Mr. BOGGS of Louisiana. Mr. Chairman, while I must confess I do not exactly like the approach of the gentleman from Florida to this problem, I am going to support his amendment.

The Corps of Army Engineers has earned the gratitude and respect of all Americans. I am fearful of the pressure which has been exerted in the past and which is now being exerted to absorb the Corps of Army Engineers into some super-duper department of public works or to consolidate it with various agencies in the Department of the Interior. I am fearful of such a move. If it did happen I do not believe it would promote either economy or efficiency. The Corps of Engineers has accumulated an experience which is invaluable to the flood control and protection of this country.

I support, with reservation, his testimony insofar as the Corps of Army Engineers is concerned. I am naturally particularly concerned about the Corps of Army Engineers because I live in the city of New Orleans which is at the mouth of the Mississippi River, which drains about two-thirds of the United States of America.

We know first-hand what floods are, what devastation can be wrought by the forces of nature when they are on the loose. We have lived with the Mississippi River since we have been a community and we are eternally grateful to the Corps of Army Engineers. In my judgement, there is no finer group of men in this great country of ours. They have been efficient; they have been capable; they have performed their duties without political favor or favoritism of any kind. They have been on the job in emergencies and they have accumulated, over a period of years, a tremendous amount of knowledge and experience.

I realize that we are faced with a quandary here when we talk about reorganizing the Government. Inevitably, someone appears before the responsible committee of Congress and asks that certain agencies be excluded.

I, too, favor—certainly in principle—all that this committee is attempting to do. It seems to me that the sprawling, overlapping functions of the Government must be consolidated in the interest of efficiency and economy; but in doing so I think that we must be careful not to interfere with agencies which have demonstrated, over a period of many years, their complete and total efficiency; and to my way of thinking there is no economy that could possibly be achieved by consolidating the Corps of Army

Engineers with any other agency of the Government.

I do not know of anything else that I could add, Mr. Chairman, except again to say that we who have lived with the problem of flood control are immeasurably proud of the Corps of Army Engineers and we would be gravely alarmed if we felt that the Congress did anything which might jeopardize their efficiency.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. DAVIS].

(Mr. DAVIS of Georgia asked and was given permission to revise and extend his remarks.)

Mr. DAVIS of Georgia. Mr. Chairman, I favor the adoption of this amendment. I do not believe that the Army engineers in the performance of their civil-functions work have been influenced by political considerations whatsoever. If this civil-functions work should be transferred to some other agency, as it has been rumored was in contemplation, I greatly fear that thereafter, such work would be subject to political considerations and political influence.

So far as I know, word has not come to Congress from the executive department as to what agencies or departments will be reorganized, changed, or abolished. I do know that rumors have been current that the civil-functions work of the Army engineers may be transferred to a new department to be created.

My own opinion is that this bill should provide that either House of Congress should be able to reject a reorganization plan, and that it should not require the concurrent action of both bodies. This bill, as it now stands, would require that it be rejected by both. That reverses ordinary legislative procedure. Today the civil-functions work may not be removed from the Army engineers except by affirmative action on the part of both Houses of Congress. If this bill passes in its present form, that will no longer be the case. The House may vote to reject such a plan, but mere failure to act on the part of the other body will result in a reorganization plan going into effect.

This seems to me to be an acknowledgment that Congress is no longer able to perform the functions belonging to it under the Constitution.

The Rogers amendment will require that both Houses must concur in order to remove these functions from the engineers, and I favor this requirement.

The CHAIRMAN. The Chair recognizes the gentleman from Arkansas [Mr. TRIMBLE].

(Mr. TRIMBLE asked and was given permission to revise and extend his remarks.)

Mr. TRIMBLE. Mr. Chairman, I do not know when I have found myself in a happier position than I am at the present time. I am told by the chairman of the committee handling this bill and by the gentleman from Georgia, chairman of the Armed Services Committee, and by the majority leader that the Corps of Engineers is safe. I am also told by the sponsor of this amendment that if it passes they are also safe.

I have a very high regard for the Corps of Engineers and its ability. The mem-

bers of that Corps are not only builders but in building they learn in peacetime the things that stand them in such good stead in war. Regardless of whether this amendment is passed or not, I feel that the Corps is safe under any interpretation. I hope so, and the civil functions will remain in their hands.

The CHAIRMAN. The gentleman from California [Mr. HOLIFIELD] is recognized.

Mr. HOLIFIELD. Mr. Chairman, we are all concerned with the Army Corps of Engineers and we believe it has been adequately taken care of under this bill that we have brought to the committee today for consideration. We know that the legislative language is good and we ask the House to stand by the committee and vote down this superfluous amendment because it is unnecessary. We urge the House to stand by its committee.

The CHAIRMAN. All time has expired.

Mr. ROGERS of Florida. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ROGERS of Florida. Mr. Chairman, under the provisions of this bill if a reorganization plan is returned to the Congress and if the House approves it and the Senate disagrees, then we cannot interfere with the reorganization plan; is that correct?

The CHAIRMAN. The Chair may say to the gentleman that is not a parliamentary inquiry.

The question is on the amendment offered by the gentleman from Florida [Mr. ROGERS].

The question was taken; and on a division (demanded by Mr. PICKETT) there were—ayes 82, noes 143.

So the amendment was rejected.

Mr. ROGERS of Florida. Mr. Chairman, I demand tellers.

Tellers were refused.

Mr. TACKETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TACKETT: On page 7, line 8, strike out subsection (b).

Mr. TACKETT. Mr. Chairman, this bill is intended to provide the administration with power to reorganize the various agencies of our Government by grouping, consolidating, coordinating, and abolishing any of the agencies and bureaus so as to eliminate overlapping and duplicating efforts in the hope of reducing Federal operating expenditures and promoting economy to the fullest extent consistent with the efficient operation of our Government.

Section 5 (b) of this bill is intended, in effect, to exclude four privileged agencies from the general operation and purpose of this proposed legislation. My amendment seeks to strike section 5 (b) so as to make every Federal agency subject to the provisions of the reorganization plan.

During our campaigns this last summer and fall, most of us promised to come here and support a tremendously needed reorganization bill, and I had understood by the introduction of this bill that we would be afforded the opportunity to carry out that campaign

promise. However, we are now finding that our reorganization bill has the same faults and defects as the 1939 and the 1945 reorganization bills—meaning that our pet agencies and bureaus are excluded from the provisions of this bill just as they have been excluded by former bills introduced for the same purpose. Of course, the Expenditures Committee uses more technical language and advises us that these four privileged agencies are not excluded, but explains that these four pets just do not come under the same kind of set-up. At the same time, we know that when these four particular privileged pets are allowed to come under the provisions of subsection (b), they are not to be treated as these other agencies of the Government under the reorganization plan; and, therefore, it can well be expected that there will be no reorganization of the, first, National Military Establishment; second, Board of Governors of the Federal Reserve System; third, Interstate Commerce Commission; and, fourth, Securities and Exchange Commission.

Now, if I had a pet to be excluded from the provisions of this bill by being placed along with the four agencies under section 5 (b), it would be the choice of a majority of us—the civil engineers. This would be my pet because the civil engineers have petted the people of my country more than the other agencies. However, I can assure you that I have no Government-agency pets to be considered foremost to the people I represent.

It is my opinion that if we want to reorganize our Federal agencies, attempt to save money for the taxpayers of this country, and reduce the number of employees that we have on the payroll who are doing nothing more than drawing pay, we should make a straightforward attempt to do so at this time. All of us realize that there is nothing more permanent in Washington than temporary employment with the United States Government. We get up on the political platforms throughout our sections of the country and each of us holler to the top of our voices, "If you will send me up there to replace that fellow who has been representing you in Congress, I can assure you that I will lower the cost of our Government." As an attempt to live up to our promises, we come forth with a reorganization plan that should cover all Federal agencies; I am at a loss to know how four Federal executive department agencies have managed to become excluded by that great committee of ours known as the Committee on Expenditures. A few minutes ago when someone offered an amendment for the purpose of adding his pet agency to be included in the exclusions, the chairman of that committee said:

Is this Congress going to pass a bill that will get the job done; or are we going to put in exclusions that will prohibit the President from having any power to reorganize the executive department of this Government?

My amendment adds no agencies to the list of exclusions that will cripple the efforts of the President and his administration to properly reorganize the executive agencies of our Government; but, to the contrary, this amendment, if

adopted, will remove the four stumbling blocks that can only be classified as "privileged pets" of the Expenditures Committee with no more right to be excluded from the provisions of this bill than any other Federal agencies that we could mention.

Now, friends, if we want to vote for a reorganization plan, let us vote for it and not a subterfuge. You have a chance here now. By taking out subsection (b) of section 5, you will be treating every Federal agency just exactly alike.

I want to ask you: Why is the Securities and Exchange Commission left in here under subsection (b) as an exclusion to the provisions of this bill? Why is it excluded under subsection (b)? Is it more important than the Federal Deposit Insurance Corporation, the Federal Bureau of Investigation, or many other Federal agencies that we could mention, or is it just somebody's pet?

Why is the Interstate Commerce Commission excluded from the organization purpose of this bill by being placed as a privileged agency under subsection (b)? This is the first time that I ever knew that organization had any political friends, but I can readily see that it has some friends somewhere on the Expenditures Committee.

Of course, it is not hard to see why the Board of Governors of the Federal Reserve System is listed among the privileged few because that all-powerful organization spreads its politics throughout the Nation.

The National Military Establishment is excluded as a privileged agency, I presume, under the theory that someone might be criticized by some person back home who might think we were trying to hurt his organization.

All Federal agencies, including the Military Establishments, could stand some reorganization, if the voters and taxpayers are to be considered. The hiring of civilian employees in the Military Establishments is now and has been during the past 12 months increasing more than 166 persons per day. Exclusive of Military Establishments, the daily average increase for the Federal civilian agencies during the same time is 131—a total of 297 new Federal employees each day the sun rises.

Mr. Chairman, it is known by all, regardless of party affiliations, the ever-present need for making the changes suggested by this bill in the reorganization of the executive agencies of the Government, hopeful of limiting expenditures to the lowest amount consistent with the efficient performance of essential services, activities, and functions, but more than anything else, eliminating a duplication and overlapping of services, activities, and functions. Such need is not exclusive to all Federal agencies except four privileged ones—but is needed as much so in one agency as the other. If an agency be perfect, needing no reorganization, why would that particular agency fear being scrutinized by the reorganization commission?

Mr. Chairman, it does not take debate on this amendment issue. If you actually want to curtail expenditures of the Federal Government, which the Republicans have gone out and declared the

Democrats were not attempting to do; and if the Democrats want to retaliate with some sound action and bring about a saving of needless Federal expenditures, we have a chance to do it now. If we merely want to appease the people with a camouflage, then vote against my amendment. After viewing the success of other efforts to amend this piece of proposed legislation, I do not expect you to pass the amendment anyhow because I see that the Expenditures Committee is certainly running the show here now.

Mr. HOLIFIELD. Mr. Chairman, I ask that the amendment offered by the gentleman from Arkansas be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas.

The question was taken; and on a division (demanded by Mr. TACKETT) there were—ayes 58, noes 149.

Mr. TACKETT. Mr. Chairman, I ask for tellers.

Tellers were refused.

So the amendment was rejected.

Mr. DAWSON. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and that the bill be open to amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois [Mr. Dawson]?

There was no objection.

The remainder of the bill is as follows:

TAKING EFFECT OF REORGANIZATIONS

SEC. 6. (a) Except as may be otherwise provided pursuant to subsection (c) of this section, the provisions of the reorganization plan shall take effect upon the expiration of the first period of 60 calendar days, of continuous session of the Congress, following the date on which the plan is transmitted to it; but only if, between the date of transmittal and the expiration of such 60-day period there has not been passed by the two Houses a concurrent resolution stating in substance that the Congress does not favor the reorganization plan.

(b) For the purposes of subsection (a)—

(1) continuity of session shall be considered as broken only by an adjournment of the Congress sine die; but

(2) in the computation of the 60-day period there shall be excluded the days on which either House is not in session because of an adjournment of more than 3 days to a day certain; except that if a resolution (as defined in section 202) with respect to such reorganization plan has been passed by one House and sent to the other, no exclusion under this paragraph shall be made by reason of adjournments of the first House taken thereafter.

(c) Any provision of the plan may, under provisions contained in the plan, be made operative at a time later than the date on which the plan shall otherwise take effect.

DEFINITION OF AGENCY

SEC. 7. When used in this act, the term "agency" means any executive department, commission, council, independent establishment, Government corporation, board, bureau, division, service, office, officer, authority, administration or other establishment, in the executive branch of the Government, and means also any and all parts of the municipal government of the District of Columbia except the courts thereof. Such term does not include the Comptroller General of the United States or the General Accounting Office, which are a part of the legislative branch of the Government.

MATTERS DEEMED TO BE REORGANIZATIONS

SEC. 8. For the purposes of this act, the term "reorganization" means any transfer, consolidation, coordination, authorization, or abolition, referred to in section 3.

SAVING PROVISIONS

SEC. 9. (a) (1) Any statute enacted, and any regulation or other action made, prescribed, issued, granted, or performed in respect of or by any agency or function affected by a reorganization under the provisions of this act, before the effective date of such reorganization, shall, except to the extent rescinded, modified, superseded, or made inapplicable by or under authority of law or by the abolition of a function, have the same effect as if such reorganization had not been made; but where any such statute, regulation, or other action has vested the function in the agency from which it is removed under the plan, such function shall, insofar as it is to be exercised after the plan becomes effective, be considered as vested in the agency under which the function is placed by the plan.

(2) As used in paragraph (1) of this subsection the term "regulation or other action" means any regulation, rule, order, policy, determination, directive, authorization, permit, privilege, requirement, designation, or other action.

(b) No suit, action, or other proceeding lawfully commenced by or against the head of any agency or other officer of the United States, in his official capacity or in relation to the discharge of his official duties, shall abate by reason of the taking effect of any reorganization plan under the provisions of this act, but the court may, on motion or supplemental petition filed at any time within 12 months after such reorganization plan takes effect, showing a necessity for a survival of such suit, action, or other proceeding to obtain a settlement of the questions involved, allow the same to be maintained by or against the successor of such head or officer under the reorganization effected by such plan or, if there be no such successor, against such agency or officer as the President shall designate.

UNEXPENDED APPROPRIATIONS

SEC. 10. The appropriations or portions of appropriations unexpended by reason of the operation of this act shall not be used for any purpose, but shall be impounded and returned to the Treasury.

PRINTING OF REORGANIZATION PLANS

SEC. 11. Each reorganization plan which shall take effect shall be printed in the Statutes at Large in the same volume as the public laws, and shall be printed in the Federal Register.

TITLE II

SEC. 201. The following sections of this title are enacted by the Congress:

(a) As an exercise of the rule-making power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in such House in the case of resolutions (as defined in section 202); and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(b) With full recognition of the constitutional right of either House to change such rules (so far relating to the procedure in such House) at any time, in the same manner and to the same extent as in the case of any other rule of such House.

SEC. 202. As used in this title, the term "resolution" means only a concurrent resolution of the two Houses of Congress, the matter after the resolving clause of which is as follows: "That the Congress does not favor the reorganization plan numbered — transmitted to Congress by the President on

—, 19—," the blank spaces therein being appropriately filled; and does not include a concurrent resolution which specifies more than one reorganization plan.

SEC. 203. A resolution with respect to a reorganization plan shall be referred to a committee (and all resolutions with respect to the same plan shall be referred to the same committee) by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

SEC. 204. (a) If the committee to which has been referred a resolution with respect to a reorganization plan has not reported it before the expiration of 10 calendar days after its introduction (or, in the case of a resolution received from the other House, 10 calendar days after its receipt), it shall then (but not before) be in order to move either to discharge the committee from further consideration of such resolution, or to discharge the committee from further consideration of any other resolution with respect to such reorganization plan which has been referred to the committee.

(b) Such motion may be made only by a person favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same reorganization plan), and debate thereon shall be limited to not to exceed 1 hour, to be equally divided between those favoring and those opposing the resolution. No amendment to such motion shall be in order, and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

(c) If the motion to discharge is agreed to or disagreed to, such motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same reorganization plan.

SEC. 205. (a) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to a reorganization plan, it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of such resolution. Such motion shall be highly privileged and shall not be debatable. No amendment to such motion shall be in order and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

(b) Debate on the resolution shall be limited to not to exceed 10 hours, which shall be equally divided between those favoring and those opposing the resolution. A motion further to limit debate shall not be debatable. No amendment to, or motion to recommit, the resolution shall be in order, and it shall not be in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

SEC. 206. (a) All motions to postpone, made with respect to the discharge from committee, or the consideration of, a resolution with respect to a reorganization plan, and all motions to proceed to the consideration of other business, shall be decided without debate.

(b) All appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution with respect to a reorganization plan shall be decided without debate.

SEC. 207. If, prior to the passage by one House of a resolution of that House with respect to a reorganization plan, such House receives from the other House a resolution with respect to the same plan, then—

(a) If no resolution of the first House with respect to such plan has been referred to committee, no other resolution with respect to the same plan may be reported or (despite the provisions of sec. 204 (a)) be made the subject of a motion to discharge.

(b) If a resolution of the first House with respect to such plan has been referred to committee—

(1) the procedure with respect to that or other resolutions of such House with respect to such plan which have been referred to committee shall be the same as if no resolution from the other House with respect to such plan had been received; but

(2) on any vote on final passage of a resolution of the first House with respect to such plan the resolution from the other House with respect to such plan shall be automatically substituted for the resolution of the first House.

Mr. HOFFMAN of Michigan. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN of Michigan:

On page 8, line 5 strike out the words "the two Houses a concurrent" and insert in lieu thereof "either House a."

On line 6, strike out the words "the Congress" and insert in lieu thereof, the word "it."

(Mr. HOFFMAN of Michigan asked and was given permission to revise and extend his remarks.)

Mr. HOFFMAN of Michigan. Mr. Chairman, even at my age, there is no law against indulging in what might be termed a little flirtation if it be harmless. I have been listening to what might be termed either the orders, the blandishments, or the advice of some Members who, I hope, are my friends, and who sit to my right. They found some fault with the broader amendment which I proposed to offer and they persuaded me—or at least I am doing it—to offer this amendment. All this amendment does is to preserve half of the Congressional power to legislate. All it requires is that when the President sends a plan here it will not become the law of the land if either House of the Congress puts through a resolution disapproving it, saying that it does not approve of the plan. I hope my friends on the Democratic side of the aisle have not led me astray and that they are not going to leave me out on a limb.

I hope—I would almost say I pray—that they will remember the words of advice which they have been giving me during the past week and again today when some suggested that this amendment would probably go through the House and that the prerogatives of the House would be preserved and that the duty of the House to legislate would still rest upon us to act on a plan within a certain time after the President sent it to us.

I hope—oh, I hope—that I have not been deceived, gentlemen. I hope you are going to go along with me on this amendment.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. VORYS. As I understand it, the gentleman's amendment merely provides that any reorganization plan goes through unless the House votes that it should not go through.

Mr. HOFFMAN of Michigan. And the same thing applies to the Senate.

Mr. VORYS. That is it, is it not?

Mr. HOFFMAN of Michigan. Yes.

Mr. VORYS. That is all it provides. It leaves it to the House, and the reor-

ganization plan will go through unless the House says it should not.

Mr. HOFFMAN of Michigan. That is right.

Mr. VORYS. In that way the Members who have been fearful concerning favored organizations will have their chance if their organization is to be damaged to have their say before the House and we can thus preserve the responsibility of the House in legislation.

Mr. HOFFMAN of Michigan. That is right. If the friends of the Engineers or of any other group think that something is going to be done to their pet, if you want to describe it that way, or if you want to express it more accurately, if something is going to be done which they think should not be done, then the House can vote it down. It can just say, "We do not approve of that legislation."

Mr. WIGGLESWORTH. Will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. WIGGLESWORTH. In the absence of this amendment, any plan proposed by the President, approved by the Senate, or a plan in respect to which the Senate took no action whatever, would become the law of the land, even if every Member of this body were opposed to it?

Mr. HOFFMAN of Michigan. That is right. The House might vote unanimously to reject a plan and yet unless this amendment goes through it would be the law of the land if the other body did not act.

I am just asking for half a loaf, and for the support of those who advised me to take this course.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. HOFFMAN] has expired.

Mr. LANHAM. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am going to tell a story that I think will illustrate the point that this amendment simply ruins the effectiveness of this bill.

A certain colored man down in Georgia had caught a large channel catfish. Let me say to you that unless you have eaten a channel cat, freshly caught and fried in deep fat, and unless you have had some hushpuppies to go along with it, you do not know what real eating is. Well, this colored gentleman had caught a big catfish and he was trying to skin that catfish. The catfish was floundering around, and finally finned him. The colored man said, "Catfish, what are you trying to do?" He said, "Quit that floppin' around." He said, "I ain't trying to do a thing but gut you."

The gentleman from Michigan [Mr. HOFFMAN] is not trying to do a thing but gut this bill.

Mr. HOFFMAN of Michigan. Will the gentleman yield?

Mr. LANHAM. I yield.

Mr. HOFFMAN of Michigan. Of course, after he guts the catfish nobody is going to eat it.

Mr. LANHAM. Now, my friend the gentleman from Michigan [Mr. HOFFMAN], asked me in the debate earlier in the day why it was that Congress itself could not reorganize the executive agencies of the Government, and he agreed with me that I was right when I said

that these executive agencies and their friends gang up on them. Now, you are making it possible for them to gang up now, and they will not have to fool with us in the House at all. They will simply gang up over in the Senate where there are only 96 men to try to influence, and they will give us the go-by sure enough.

If you want to hinder reorganization, if you want to block it and stop it, although you say you are for it, then you should vote for this amendment.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield.

Mr. McCORMACK. In my opinion, irrespective of the fact that the gentleman from Michigan has offered his amendment in good faith, in my opinion the adoption of this amendment for all practical purposes, would mean the ineffective operation of any reorganization bill. This amendment was very seriously considered in the committee. Furthermore, the last reorganization bill carried substantially the same provision as is contained in this bill. Agreeing with my friend in his unique story about gutting the catfish, this amendment, while not intended as such, will bring about the result that this bill will be gutted. I hope the amendment will be defeated.

Mr. LANHAM. It will be gutted just the same.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. LANHAM] has expired.

Mr. JUDD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in this amendment we are faced with the real question of whether or not we want to continue the long-standing and tested legislative procedure, whereby no action under the authority of Congress is taken without the approval of both Houses of the Congress. Nothing else ever becomes law or goes into effect unless both Houses of Congress approve. Why should a reorganization plan? A hundred bills a year are passed by this House which are not adopted by the other body, and, of course, they do not become law. The same is true of bills passed by the other body but not by us. But under this bill as it now stands the President and one House of Congress can legislate, even though the other House expressly disapproves. It seems to me that as a matter of principle that is an extremely unwise thing to do. I do not believe any piece of legislation ought to be put into effect if one House disapproves. Do you? Does anybody really want a piece of legislation to go through that one House of Congress is opposed to?

Under this amendment the President sends down his bill with a plan for reorganization. After 60 days it automatically goes into effect unless one House passes a resolution disapproving. If one House passes such a resolution, that does not kill the plan; it merely returns it to the President for him to make such modifications as will remove our objections. The debates here will tell him what part of the plan we do not like. He revises it and sends it back to us. It is precisely like the way we handle

a conference report. If we do not like any part of a conference report, we reject it and it goes back to conference; the conferees revise it and bring it back until we can let it become law.

Three years ago, when I was privileged to be a member of this great Committee on Expenditures, I offered this same amendment in the last Reorganization Act, and it came within 14 votes of winning. It came up late in the session, later even than today, and we did not have a chance to explain it fully. I do not see how anybody can rightly object to this when he understands it. Surely we do not want to delegate to one House of Congress and the President the power to enact laws.

Under this legislation we do not authorize the President to reorganize; we authorize him to prepare a plan of reorganization. He is in better position than we to prepare a plan. We want the President to take the lead—he has to—in suggesting specific reorganization steps. But reorganization is a legislative function and therefore our responsibility. We cannot rightly delegate to somebody else that responsibility without having a chance to look at it and have the final say before he can issue orders to put it into effect. Under the amendment, if either body for whatever reason seems to it adequate decides to pass a resolution within 60 days disapproving the particular plan the President has submitted, it goes back to him, he reworks it, brings it back in better form and it goes through.

The amendment cannot possibly gut the bill. It merely sticks to the basic system of government that we have had in this Republic for more than a hundred and fifty years whereby the two Houses of Congress and the President legislate, not the President and one House of Congress. What is wrong with that?

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. KEATING. If the amendment is not adopted it means, does it not, in effect that one House of Congress and the President alone can legislate without the other House?

Mr. JUDD. Precisely; and that is exactly what I believe ought not to be done. If I felt sure the President would always send us what I personally would regard as the best reorganization plans ever devised, I still would be opposed to a system where the House could not hold it up if a majority should think it unwise.

I hope the amendment will be adopted.

Mr. HOLIFIELD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is not the first time this particular amendment has been presented to the House, when a reorganization plan was proposed. This language which we have in the pending bill is the same language that was passed in the 1939 Reorganization Act and the 1945 Reorganization Act. Now, I am going back further, to the act of 1932, when Mr. Hoover was the President and his Attorney General was William B.

Mitchell. In discussing this particular amendment which has been offered here today, it said:

If either branch of the Congress within such 60 calendar days shall pass a resolution disapproving of such Executive order or any part thereof, such Executive order shall become null and void to the extent of such disapproval.

In discussing that particular amendment, he said:

It must be assumed that the functions of the President under this act were Executive in their nature or they could not have been constitutionally conferred upon him; and so there was set up a method by which one house of Congress might disapprove Executive action. No one would question the power of Congress to provide for delay in the execution of such an administrative order, or its power to withdraw the authority to make that order provided the withdrawal takes the form of legislation. But to attempt to give either house of Congress by action which is not legislative power to disapprove administrative acts raises a grave question as to the validity of the entire provision in the act of June 30, 1932, for executive reorganization of the governmental functions.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. JUDD. But the situation he was describing was not at all comparable to the one we are discussing. He ruled that it was probably unconstitutional for one house of Congress to make null and void an Executive order issued by the President, and I agree. But this bill does permit Congress to nullify Executive orders, it does not in the first instance authorize the President to issue orders effecting reorganization and then submit the orders to Congress for approval or disapproval. It authorizes him to prepare a plan and submit that to Congress. He will have issued no orders. We will merely be enacting or not enacting into law the plan he submits. Only after 60 days have gone by without disapproval of the plan by the Congress does the plan become law and he have authority to issue Executive orders. We debated that when reorganization was under consideration in 1945, and the gentleman from Texas, Mr. Sumners, the eminent jurist who was chairman of the Committee on the Judiciary, said the two situations were not alike. He said:

Attorney General Mitchell rendered an opinion that an Executive order made under the grant of legislative power could not be vacated or set aside by any congressional action short of legislation. It is perfectly apparent to the Membership of the House that this bill was drawn with the view of naming the President as the ministerial agent of the House rather than vesting in him legislative power, and therefore the provision contained in this bill whereby Congress may vacate any action taken by the President by concurrent resolution is perfectly valid, because it is a condition subsequent and is a part of the law itself.

Mr. HOLIFIELD. I realize the gentleman's position and he has had 5 minutes to sustain it.

Mr. JUDD. But the situations are not similar.

Mr. HOLIFIELD. There is some question as to the constitutionality of the amendment which has been offered. The

House by its action today will confer upon the President certain powers, delegating him to do certain things within limits. No one has attacked the constitutionality of that. Likewise when the plan comes back to the Congress the action of two Houses in disapproving it just as important as the action of two Houses in approving. The gentleman's amendment does exactly what the gentleman from Georgia [Mr. LANHAM] said, in my opinion. You know, you can always get one side of the Congress to agree for certain reasons to obstruct an act.

Mr. JUDD. Does the gentleman believe it is wise for legislation to be passed that one House of Congress disapproves?

Mr. HOLIFIELD. That one House of Congress disapproves?

Mr. JUDD. Yes; the amendment provides that the President will be empowered to carry out the plan and to issue directives and orders under the plan only if within 60 days neither House has disapproved. If neither House has disapproved, it goes on its way. If one House disapproves within 60 days he has to take the plan back.

Mr. HOLIFIELD. You are conferring upon one House legislative functions in fact.

Mr. JUDD. No; we are preventing one House alone from exercising legislative functions.

Mr. HOLIFIELD. Under the bill presented by the committee it requires the action of both Houses to disapprove.

Mr. JUDD. That is true. But many of us believe we should stick to the basic system in our Constitution under which action can be taken under the authority of the Congress only if both Houses approve—that is, if neither disapproves. Let me read you what the gentleman from Georgia [Mr. Cox] said when this was before us previously:

If it is within the competency of Congress to provide for vacating a plan that might be submitted under the bill by the President, by a concurrent resolution, it is of course equally within the right of Congress to provide that the order might be vacated by a simple resolution of either body.

Mr. HOLIFIELD. Mr. Chairman, I ask that the Committee of the Whole stand behind the committee on this and vote down the amendment as it will nullify the whole act.

The CHAIRMAN. The time of the gentleman from California has expired.

[Mr. HINSHAW addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. HOFFMAN].

The question was taken; and on a division (demanded by Mr. JUDD) there were—ayes 95, noes 142.

So the amendment was rejected.

Mr. WADSWORTH. Mr. Chairman, I ask unanimous consent that the Committee may return to page 6 of the bill in order that I may offer a correcting amendment which is not at all hostile to the purposes of the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. WADSWORTH: On page 6, line 1, after the word "for" strike out the words "winding up" and insert the word "terminating."

Mr. DAWSON. Mr. Chairman, the committee accepts the amendment.

The amendment was agreed to.

Mr. HOFFMAN of Michigan. Mr. Chairman, I offer a further amendment. Since debate will undoubtedly not change any votes, I ask for a vote on the amendment upon the conclusion of its reading.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN of Michigan: On page 8, in line 3 of subsection (c) of section 6, after the semicolon following the word "it", strike out the words "but only if" and insert in lieu thereof the words "provided that" and in line 5, strike out the word "not" and in line 6 strike out the word "not." In line 7 after the word "plan" strike out the period, insert a semicolon and add the following words, "provided further that the Congress shall, within such 60-day period, either approve or disapprove of such reorganization plan."

The amendment was rejected.

Mr. DAWSON. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HARRIS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 2361) to provide for the reorganization of Government agencies, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. DAWSON. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. HOFFMAN of Michigan. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. HOFFMAN of Michigan. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. HOFFMAN of Michigan moves that the bill be recommitted to the Committee on Expenditures in the Executive Departments with instructions to report the bill back to the House forthwith with the following amendment: On page 8, after the word "by" strike out the words "the two Houses a concurrent" and insert the words "either House a"; and in line 6 strike out the words "the Congress" and insert the word "it."

Mr. DAWSON. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. DAWSON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 356, nays 9, not voting 68, as follows:

[Roll No. 5]

YEAS—356

Abernethy	Dague	Hoffman, Ill.
Addonizio	Davies, N. Y.	Holifield
Albert	Davis, Ga.	Holmes
Allen, Calif.	Davis, Tenn.	Hope
Allen, Ill.	Davis, Wis.	Horan
Allen, La.	Dawson	Howell
Andersen,	Deane	Huber
H. Carl	DeGraffenried	Hull
Anderson, Calif.	Delaney	Irving
Andresen,	Denton	Jackson, Calif.
August H.	D'Ewart	Jackson, Wash.
Andrews	Dollinger	Jacobs
Angell	Dolliver	James
Arends	Dondero	Javits
Aspinall	Donohue	Jenison
Auchincloss	Doughton	Jenkins
Bailey	Douglas	Jennings
Barden	Doyle	Jensen
Barling	Durham	Johnson
Barrett, Pa.	Eberhart	Jones, Ala.
Barrett, Wyo.	Elliott	Jones, Mo.
Bates, Ky.	Elston	Jones, N. C.
Bates, Mass.	Engle, Calif.	Judd
Battle	Evins	Karst
Beall	Fallon	Karsten
Beckworth	Feighan	Kearney
Bennett, Mich.	Fellows	Kearns
Bentsen	Fenton	Keating
Blenmiller	Fernandez	Kelley
Bishop	Flisher	Keogh
Blatnik	Flood	Kerr
Boggs, Del.	Fogarty	Kilburn
Boggs, La.	Forand	Kilday
Bolling	Ford	King
Bolton, Md.	Frazier	Kirwan
Bolton, Ohio	Fugate	Klein
Bonner	Furcolo	Kruse
Bosone	Gamble	Kunkel
Boykin	Garmatz	Lane
Bramblett	Gathings	Lanham
Breen	Gavin	Larcade
Brehm	Gillette	LeCompte
Brooks	Gilmer	LeFevre
Brown, Ga.	Golden	Lemke
Brown, Ohio	Goodwin	Lesinski
Bryson	Gordon	Lind
Buchanan	Gorski, Ill.	Llnehan
Buckley, Ill.	Gorski, N. Y.	Lodge
Burke	Gossett	Lovre
Burleson	Graham	Lucas
Burnside	Granahan	Lyle
Burton	Granger	Lynch
Byrnes, Wis.	Grant	McConnell
Camp	Green	McCormack
Cannon	Gregory	McCulloch
Carlyle	Gross	McDonough
Carnahan	Gwinn	McGrath
Carroll	Hagen	McGregor
Case, N. J.	Haile	McGuire
Cavalcante	Hall	McKinnon
Chatham	Edwin Arthur	McMillan, S. C.
Chelf	Hall	McMillen, Ill.
Chesney	Leonard W.	McSweeney
Christopher	Halleck	Mack, Ill.
Chudoff	Hand	Mack, Wash.
Church	Harden	Madden
Clemente	Hardy	Magee
Clevenger	Hare	Mahon
Coffey	Harris	Mansfield
Cole, Kans.	Hart	Marcantonio
Cole, N. Y.	Harvey	Marsalls
Colmer	Havenner	Marshall
Combs	Hays, Ark.	Martin, Mass.
Cooley	Hays, Ohio	Marrow
Cooper	Hébert	Michener
Corbett	Hedrick	Miller, Calif.
Cotton	Heffernan	Miller, Md.
Crawford	Herlong	Miller, Nebr.
Crook	Heselton	Mills
Crosser	Hinshaw	Mitchell
Cunningham	Hobbs	Monroney
Curtis	Hoever	Morgan

Morris	Rabaut
Morrison	Rains
Morton	Ramsay
Moulder	Redden
Multer	Reed, Ill.
Murdock	Reed, N. Y.
Murphy	Rees
Murray, Tenn.	Regan
Nicholson	Rhodes
Nixon	Ribicoff
Noland	Rich
Norblad	Richards
Norrell	Riehlman
O'Brien, Ill.	Rodino
O'Brien, Mich.	Rogers, Fla.
O'Hara, Ill.	Rogers, Mass.
O'Neill	Rooney
O'Sullivan	Sadowski
O'Toole	St. George
Pace	Sanborn
Passman	Sasser
Patman	Sclivner
Patten	Scudder
Patterson	Simpson, Ill.
Perkins	Simpson, Pa.
Peterson	Slms
Pfeiffer,	Smathers
William L.	Smith, Kans.
Philbin	Spence
Phillips, Calif.	Staggers
Phillips, Tenn.	Stanley
Pickett	Steed
Poage	Stefan
Polk	Stigler
Poulson	Sullivan
Preston	Sutton
Price	Tackett
Priest	Talle
Quinn	Tauriello

NAYS—9

Mason	O'Konski	Short
Nelson	Rankin	Taber
O'Hara, Minn.	Shafer	Wolcott

NOT VOTING—68

Abbott	Herter	Sadlak
Bennett, Fla.	Hill	Scott, Hardie
Blackney	Hoffman, Mich.	Scott,
Bland	Jonas	Hugh D., Jr.
Bloom	Kean	Secrest
Buckley, N. Y.	Kee	Sheppard
Bulwinkle	Keefe	Sikes
Burdick	Kennedy	Smith, Ohio
Byrne, N. Y.	Latham	Smith, Va.
Canfield	Lichtenwalter	Smith, Wis.
Case, S. Dak.	McCarthy	Somers
Celler	Macy	Stockman
Chiperfield	Martin, Iowa	Thomas, N. J.
Coudert	Meyer	Towe
Cox	Miles	Velde
Davenport	Murray, Wis.	Walsh
Dingell	Norton	Welch, Calif.
Eaton	Pfeifer,	Whitaker
Ellsworth	Joseph L.	White, Idaho
Engel, Mich.	Plumley	Whittington
Fulton	Potter	Wier
Gary	Powell	Young
Gore	Rivers	
Harrison	Sabath	

So the bill was passed.

The Clerk announced the following pairs:

Additional general pairs:

Mrs. Norton with Mr. Canfield.
Mr. Gary with Mr. Kean.
Mr. Secrest with Mr. Macy.
Mr. Joseph L. Pfeifer with Mr. Towe.
Mr. Sheppard with Mr. Hugh D. Scott, Jr.
Mr. Kennedy with Mr. Sadlak.
Mr. Byrne of New York with Mr. Coudert.
Mr. Celler with Mr. Lichtenwalter.
Mr. Bennett of Florida with Mr. Meyer.
Mr. Powell with Mr. Potter.
Mr. Sikes with Mr. Hardie Scott.
Mr. Whitaker with Mr. Jonas.
Mr. Dingell with Mr. Blackney.
Mr. Cox with Mr. Chiperfield.
Mr. Harrison with Mr. Eaton.
Mr. Somers with Mr. Ellsworth.
Mr. Whittington with Mr. Engel of Michigan.
Mr. Young with Mr. Case, of South Dakota.
Mr. McCarthy with Mr. Latham.
Mr. Kee with Mr. Plumley.
Mr. Gore with Mr. Stockman.
Mr. Bloom with Mr. Velde.
Mr. Buckley of New York with Mr. Welch of California.

Mr. Rivers with Mr. Smith of Ohio.
Mr. Sabath with Mr. Smith of Wisconsin.
Mr. Smith of Virginia with Mr. Herter.
Mr. Bulwinkle with Mr. Keefe.
Mr. Abbitt with Mr. Martin of Iowa.
Mr. Bland with Mr. Murray of Wisconsin.
Mr. White of Idaho with Mr. Hill.
Mr. Davenport with Mr. Fulton.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CARDINAL MINDSZENTY

Mr. PHILBIN. Mr. Speaker, let us no longer tolerate the bestial, uncivilized conduct of the Soviets and their puppets. We cannot afford longer to appease and temporize with palpable conspiracies against this Nation and the cause of human freedom everywhere.

Shall no voice of protest be raised by this Government against this latest outrage against Christianity and democracy? We should officially protest this persecution, this unspeakable cruelty. If protests are unheeded, we should promptly withdraw diplomatic recognition. The time has come to act in defense of our freedoms and security.

EXTENSION OF REMARKS

Mr. YATES asked and was given permission to extend his remarks in the RECORD and include two newspaper articles.

Mr. BARRETT of Pennsylvania asked and was given permission to extend his remarks in the RECORD and include a speech.

Mr. ZABLOCKI asked and was given permission to extend his remarks in the RECORD and include a resolution and an editorial.

Mr. SADOWSKI asked and was given permission to extend his remarks in the RECORD in three instances and include excerpts and resolutions.

Mr. POAGE asked and was given permission to extend his remarks in the RECORD and include an address he delivered.

Mr. TACKETT asked and was given permission to revise and extend his remarks made on H. R. 2361.

Mr. DONOHUE asked and was given permission to extend his remarks in the RECORD and include a resolution.

Mr. SHORT asked and was given permission to extend his remarks in the RECORD and include three editorials.

Mr. SHAFER asked and was given permission to extend his remarks in the RECORD.

Mr. POULSON asked and was given permission to extend his remarks in the RECORD and include a statement from the Executive Office of the President.

Mr. PHILLIPS of California asked and was given permission to extend his remarks in the RECORD and include an editorial from the Saturday Evening Post.

81ST CONGRESS
1ST SESSION

H. R. 2361

IN THE SENATE OF THE UNITED STATES

FEBRUARY 8, 1949

Read twice and referred to the Committee on Expenditures in the Executive
Departments

AN ACT

To provide for the reorganization of Government agencies, and
for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 TITLE I

4 SHORT TITLE

5 SECTION 1. This Act may be cited as the "Reorganiza-
6 tion Act of 1949".

7 NEED FOR REORGANIZATIONS

8 SEC. 2. (a) The President shall examine and from time
9 to time reexamine the organization of all agencies of the
10 Government and shall determine what changes therein are
11 necessary to accomplish the following purposes:

1 (1) to promote the better execution of the laws,
2 the more effective management of the executive branch
3 of the Government and of its agencies and functions,
4 and the expeditious administration of the public business;

5 (2) to reduce expenditures and promote economy,
6 to the fullest extent consistent with the efficient opera-
7 tion of the Government;

8 (3) to increase the efficiency of the operations of
9 the Government to the fullest extent practicable;

10 (4) to group, coordinate, and consolidate agencies
11 and functions of the Government, as nearly as may be,
12 according to major purposes;

13 (5) to reduce the number of agencies by con-
14 solidating those having similar functions under a single
15 head, and to abolish such agencies or functions thereof
16 as may not be necessary for the efficient conduct of
17 the Government; and

18 (6) to eliminate overlapping and duplication of
19 effort.

20 (b) The Congress declares that the public interest
21 demands the carrying out of the purposes specified in sub-
22 section (a) and that such purposes may be accomplished in
23 great measure by proceeding under the provisions of this
24 Act, and can be accomplished more speedily thereby than
25 by the enactment of specific legislation.

REORGANIZATION PLANS

SEC. 3. Whenever the President, after investigation, finds that—

(1) the transfer of the whole or any part of any agency, or of the whole or any part of the functions thereof, to the jurisdiction and control of any other agency; or

(2) the abolition of all or any part of the functions of any agency; or

(3) the consolidation or coordination of the whole or any part of any agency, or of the whole or any part of the functions thereof, with the whole or any part of any other agency or the functions thereof; or

(4) the consolidation or coordination of any part of any agency or the functions thereof with any other part of the same agency or the functions thereof; or

(5) the authorization of any officer to delegate any of his functions; or

(6) the abolition of the whole or any part of any agency which agency or part does not have, or upon the taking effect of the reorganization plan will not have, any functions,

is necessary to accomplish one or more of the purposes of section 2 (a), he shall prepare a reorganization plan for the making of the reorganizations as to which he has made find-

1 ings and which he includes in the plan, and transmit such
2 plan (bearing an identifying number) to the Congress, to-
3 gether with a declaration that, with respect to each reorgani-
4 zation included in the plan, he has found that such reorgani-
5 zation is necessary to accomplish one or more of the purposes
6 of section 2 (a). The delivery to both Houses shall be on
7 the same day and shall be made to each House while it is in
8 session. The President, in his message transmitting a re-
9 organization plan, shall specify with respect to each abolition
10 of a function included in the plan the statutory authority for
11 the exercise of such function.

12 OTHER CONTENTS OF PLANS

13 SEC. 4. Any reorganization plan transmitted by the
14 President under section 3—

15 (1) shall change, in such cases as he deems neces-
16 sary, the name of any agency affected by a reorganiza-
17 tion, and the title of its head; and shall designate the
18 name of any agency resulting from a reorganization
19 and the title of its head;

20 (2) may include provisions for the appointment
21 and compensation of the head and one or more other
22 officers of any agency (including an agency resulting
23 from a consolidation or other type of reorganization) if
24 the President finds, and in his message transmitting the
25 plan declares, that by reason of a reorganization made

1 by the plan such provisions are necessary. The head so
2 provided for may be an individual or may be a com-
3 mission or board with two or more members. In the
4 case of any such appointment the term of office shall
5 not be fixed at more than four years, the compensa-
6 tion shall not be at a rate in excess of that found
7 by the President to prevail in respect of comparable
8 officers in the executive branch, and, if the appointment
9 is not under the classified civil service, it shall be by
10 the President, by and with the advice and consent of
11 the Senate;

12 (3) shall make provision for the transfer or other
13 disposition of the records, property, and personnel
14 affected by any reorganization;

15 (4) shall make provision for the transfer of such
16 unexpended balances of appropriations, and of other
17 funds, available for use in connection with any function
18 or agency affected by a reorganization, as he deems
19 necessary by reason of the reorganization for use in con-
20 nection with the functions affected by the reorganization,
21 or for the use of the agency which shall have such func-
22 tions after the reorganization plan is effective, but such
23 unexpended balances so transferred shall be used only
24 for the purposes for which such appropriation was
25 originally made;

1 (5) shall make provision for terminating the af-
2 fairs of any agency abolished.

3 LIMITATIONS ON POWERS WITH RESPECT TO
4 REORGANIZATIONS

5 SEC. 5. (a) No reorganization plan shall provide for,
6 and no reorganization under this Act shall have the effect
7 of—

8 (1) abolishing or transferring an executive depart-
9 ment or all the functions thereof, establishing any new
10 executive department, designating any agency as “De-
11 partment” or its head as “Secretary”, or consolidating
12 any two or more executive departments or all the func-
13 tions thereof; or

14 (2) continuing any agency beyond the period au-
15 thorized by law for its existence or beyond the time
16 when it would have terminated if the reorganization
17 had not been made; or

18 (3) continuing any function beyond the period
19 authorized by law for its exercise, or beyond the time
20 when it would have terminated if the reorganization had
21 not been made; or

22 (4) authorizing any agency to exercise any func-
23 tion which is not expressly authorized by law at the time
24 the plan is transmitted to the Congress; or

(5) increasing the term of any office beyond that provided by law for such office; or

(6) transferring to or consolidating with any other agency the municipal government of the District of Columbia or all those functions thereof which are subject to this Act, or abolishing said government or all said functions.

(b) A reorganization plan providing for a reorganization affecting any agency named below in this subsection may not provide also for a reorganization which does not affect such agency; except that this prohibition shall not apply to the transfer to such agency of the whole or any part of, or the whole or any part of the functions of, any agency not so named. No provision contained in a reorganization plan shall take effect if the reorganization plan is in violation of this subsection. The agencies above referred to in this subsection are as follows: National Military Establishment, Board of Governors of the Federal Reserve System, Interstate Commerce Commission, Securities and Exchange Commission, Railroad Retirement Board, National Mediation Board, and National Railroad Adjustment Board.

TAKING EFFECT OF REORGANIZATIONS

SEC. 6. (a) Except as may be otherwise provided pursuant to subsection (c) of this section, the provisions of the

1 reorganization plan shall take effect upon the expiration of
2 the first period of sixty calendar days, of continuous session
3 of the Congress, following the date on which the plan is
4 transmitted to it; but only if, between the date of trans-
5 mittal and the expiration of such sixty-day period there has
6 not been passed by the two Houses a concurrent resolution
7 stating in substance that the Congress does not favor the
8 reorganization plan.

9 (b) For the purposes of subsection (a) —

10 (1) continuity of session shall be considered as
11 broken only by an adjournment of the Congress sine die;
12 but

13 (2) in the computation of the sixty-day period
14 there shall be excluded the days on which either House
15 is not in session because of an adjournment of more than
16 three days to a day certain; except that if a resolution
17 (as defined in section 202) with respect to such reor-
18 ganization plan has been passed by one House and sent
19 to the other, no exclusion under this paragraph shall
20 be made by reason of adjournments of the first House
21 taken thereafter.

22 (c) Any provision of the plan may, under provisions
23 contained in the plan, be made operative at a time later than
24 the date on which the plan shall otherwise take effect.

DEFINITION OF "AGENCY"

SEC. 7. When used in this Act, the term "agency" means any executive department, commission, council, independent establishment, Government corporation, board, bureau, division, service, office, officer, authority, administration or other establishment, in the executive branch of the Government, and means also any and all parts of the municipal government of the District of Columbia except the courts thereof. Such term does not include the Comptroller General of the United States or the General Accounting Office, which are a part of the legislative branch of the Government.

MATTERS DEEMED TO BE REORGANIZATIONS

SEC. 8. For the purposes of this Act the term “reorganization” means any transfer, consolidation, coordination, authorization, or abolition, referred to in section 3.

SAVING PROVISIONS

SEC. 9. (a) (1) Any statute enacted, and any regulation or other action made, prescribed, issued, granted, or performed in respect of or by any agency or function affected by a reorganization under the provisions of this Act, before the effective date of such reorganization, shall, except to the extent rescinded, modified, superseded, or made inapplicable by or under authority of law or by the abolition of a function, have the same effect as if such reorganization

1 had not been made; but where any such statute, regulation,
2 or other action has vested the function in the agency from
3 which it is removed under the plan, such function shall, in-
4 sofar as it is to be exercised after the plan becomes effective,
5 be considered as vested in the agency under which the
6 function is placed by the plan.

7 (2) As used in paragraph (1) of this subsection the
8 term "regulation or other action" means any regulation, rule,
9 order, policy, determination, directive, authorization, permit,
10 privilege, requirement, designation, or other action.

11 (b) No suit, action, or other proceeding lawfully com-
12 menced by or against the head of any agency or other officer
13 of the United States, in his official capacity or in relation to
14 the discharge of his official duties, shall abate by reason of the
15 taking effect of any reorganization plan under the provisions
16 of this Act, but the court may, on motion or supplemental
17 petition filed at any time within twelve months after such
18 reorganization plan takes effect, showing a necessity for a
19 survival of such suit, action, or other proceeding to obtain a
20 settlement of the questions involved, allow the same to be
21 maintained by or against the successor of such head or officer
22 under the reorganization effected by such plan or, if there
23 be no such successor, against such agency or officer as the
24 President shall designate.

UNEXPENDED APPROPRIATIONS

1

2 SEC. 10 The appropriations or portions of appropria-
3 tions unexpended by reason of the operation of this Act shall
4 not be used for any purpose, but shall be impounded and
5 returned to the Treasury.

6

PRINTING OF REORGANIZATION PLANS

7 SEC. 11. Each reorganization plan which shall take
8 effect shall be printed in the Statutes at Large in the same
9 volume as the public laws, and shall be printed in the Federal
10 Register.

11

TITLE II

12 SEC. 201. The following sections of this title are enacted
13 by the Congress:

14 (a) As an exercise of the rule-making power of the
15 Senate and the House of Representatives, respectively, and
16 as such they shall be considered as part of the rules of each
17 House, respectively, but applicable only with respect to the
18 procedure to be followed in such House in the case of reso-
19 lutions (as defined in section 202) ; and such rules shall
20 supersede other rules only to the extent that they are incon-
21 sistent therewith; and

22 (b) With full recognition of the constitutional right of
23 either House to change such rules (so far as relating to the
24 procedure in such House) at any time, in the same manner

1 and to the same extent as in the case of any other rule of
2 such House.

3 SEC. 202. As used in this title, the term "resolution"
4 means only a concurrent resolution of the two Houses of
5 Congress, the matter after the resolving clause of which is as
6 follows: "That the Congress does not favor the reorganiza-
7 tion plan numbered —— transmitted to Congress by the
8 President on ———, 19—.", the blank spaces therein
9 being appropriately filled; and does not include a concurrent
10 resolution which specifies more than one reorganization plan.

11 SEC. 203. A resolution with respect to a reorganization
12 plan shall be referred to a committee (and all resolutions
13 with respect to the same plan shall be referred to the same
14 committee) by the President of the Senate or the Speaker
15 of the House of Representatives, as the case may be.

16 SEC. 204. (a) If the committee to which has been
17 referred a resolution with respect to a reorganization plan
18 has not reported it before the expiration of ten calendar
19 days after its introduction (or, in the case of a resolution
20 received from the other House, ten calendar days after its
21 receipt), it shall then (but not before) be in order to move
22 either to discharge the committee from further considera-
23 tion of such resolution, or to discharge the committee from
24 further consideration of any other resolution with respect

1 to such reorganization plan which has been referred to the
2 committee.

3 (b) Such motion may be made only by a person favor-
4 ing the resolution, shall be highly privileged (except that
5 it may not be made after the committee has reported a
6 resolution with respect to the same reorganization plan),
7 and debate thereon shall be limited to not to exceed one
8 hour, to be equally divided between those favoring and those
9 opposing the resolution. No amendment to such motion
10 shall be in order, and it shall not be in order to move to
11 reconsider the vote by which such motion is agreed to or
12 disagreed to.

13 (c) If the motion to discharge is agreed to or disagreed
14 to, such motion may not be renewed, nor may another motion
15 to discharge the committee be made with respect to any
16 other resolution with respect to the same reorganization plan.

17 SEC. 205. (a) When the committee has reported, or has
18 been discharged from further consideration of, a resolution
19 with respect to a reorganization plan, it shall at any time
20 thereafter be in order (even though a previous motion to the
21 same effect has been disagreed to) to move to proceed to
22 the consideration of such resolution. Such motion shall be
23 highly privileged and shall not be debatable. No amend-
24 ment to such motion shall be in order and it shall not be

1 in order to move to reconsider the vote by which such mo-
2 tion is agreed to or disagreed to.

3 (b) Debate on the resolution shall be limited to not
4 to exceed ten hours, which shall be equally divided between
5 those favoring and those opposing the resolution. A motion
6 further to limit debate shall not be debatable. No amend-
7 ment to, or motion to recommit, the resolution shall be in
8 order, and it shall not be in order to move to reconsider
9 the vote by which the resolution is agreed to or disagreed to.

10 SEC. 206. (a) All motions to postpone, made with re-
11 spect to the discharge from committee, or the considera-
12 tion of, a resolution with respect to a reorganization plan, and
13 all motions to proceed to the consideration of other business,
14 shall be decided without debate.

15 (b) All appeals from the decisions of the Chair relating
16 to the application of the rules of the Senate or the House
17 of Representatives, as the case may be, to the procedure
18 relating to a resolution with respect to a reorganization plan
19 shall be decided without debate.

20 SEC. 207. If, prior to the passage by one House of a
21 resolution of that House with respect to a reorganization
22 plan, such House receives from the other House a resolution
23 with respect to the same plan, then—

24 (a) If no resolution of the first House with respect to
25 such plan has been referred to committee, no other resolution

1 with respect to the same plan may be reported or (despite
2 the provisions of section 204 (a)) be made the subject of
3 a motion to discharge.

4 (b) If a resolution of the first House with respect to
5 such plan has been referred to committee—

6 (1) the procedure with respect to that or other
7 resolutions of such House with respect to such plan
8 which have been referred to committee shall be the
9 same as if no resolution from the other House with
10 respect to such plan had been received; but

11 (2) on any vote on final passage of a resolution
12 of the first House with respect to such plan the resolu-
13 tion from the other House with respect to such plan
14 shall be automatically substituted for the resolution of
15 the first House.

Passed the House of Representatives February 7, 1949.

Attest:

RALPH R. ROBERTS,

Clerk.

AN ACT

To provide for the reorganization of Government agencies, and for other purposes.

FEBRUARY 8, 1949

Read twice and referred to the Committee on
Expenditures in the Executive Departments

81ST CONGRESS
1ST SESSION

S. 526

IN THE SENATE OF THE UNITED STATES

FEBRUARY 17, 1949

Referred to the Committee on Expenditures in the Executive Departments and
ordered to be printed

AMENDMENT

Intended to be proposed by Mr. JOHNSON of Colorado (for himself and Mr. MAYBANK) to the bill (S. 526) to provide for the reorganization of Government agencies, and for other purposes, viz: On page 7, between lines 5 and 6 insert the following new subsection:

- 1 (b) A reorganization plan providing for a reorganiza-
- 2 tion affecting any agency named below in this subsection
- 3 may not provide also for a reorganization which affects any
- 4 agency not so named; except that this prohibition shall
- 5 not apply to the transfer to such agency of the whole or any
- 6 part of, or the whole or any part of the functions of, any
- 7 agency not so named. No provision contained in the reor-
- 8 ganization plan shall take effect if the reorganization plan

1 is in violation of this subsection. The agencies above re-
2 ferred to in this subsection are as follows: Interstate Com-
3 merce Commission, Federal Communications Commission,
4 Federal Trade Commission, United States Maritime Com-
5 mission, the United States Tariff Commission, the Securities
6 and Exchange Commission, and Civil Aeronautics Board.

AMENDMENT

Intended to be proposed by Mr. JOHNSON of
Colorado (for himself and Mr. MAYBANK)
to the bill (S. 526) to provide for the reor-
ganization of Government agencies, and for
other purposes.

FEBRUARY 17, 1949

Referred to the Committee on Expenditures in the
Executive Departments and ordered to be printed

S. 526

IN THE SENATE OF THE UNITED STATES

FEBRUARY 28 (legislative day, FEBRUARY 21), 1949

Referred to the Committee on Expenditures in the Executive Departments and
ordered to be printed

AMENDMENT

Intended to be proposed by Mr. TYDINGS to the bill (S. 526)
to provide for the reorganization of Government agencies,
and for other purposes, viz: On page 7, lines 5 and 6, insert
the following new subsection:

- 1 (b) A reorganization plan providing for a reorganiza-
- 2 tion affecting the National Military Establishment may not
- 3 provide also for a reorganization which does not affect such
- 4 Establishment; except that this prohibition shall not apply
- 5 to the transfer to such Establishment of the whole or any
- 6 part of, or the whole or any part of the functions of, any
- 7 other agency. No provision contained in a reorganization
- 8 plan shall take effect if the reorganization plan is in violation
- 9 of this subsection.

AMENDMENT

Intended to be proposed by Mr. Tydings to the bill (S. 526) to provide for the reorganization of Government agencies, and for other purposes.

FEBRUARY 28 (legislative day, FEBRUARY 21), 1949
Referred to the Committee on Expenditures in the Executive Departments and ordered to be printed

REORGANIZATION ACT OF 1949

APRIL 7 (legislative day, MARCH 18), 1949.—Ordered to be printed

Mr. McCLELLAN, from the Committee on Expenditures in the Executive Departments, submitted the following

REPORT

[To accompany S. 526]

The Committee on Expenditures in the Executive Departments, to whom was referred the bill (S. 526) to provide for the reorganization of Government agencies, and for other purposes, having considered the same, report favorably thereon, with amendments, and recommend that the bill do pass.

PURPOSE

This legislation is proposed in order to carry on an established policy of Congress, in delegating to the President authority to reorganize the executive branch of the Government. Such authorization was originally granted in the Economy Act of June 30, 1932. This act was amended and superseded by the act of March 3, 1933, as amended by the act of March 20, 1933, granting reorganization authority to the President for a period of 2 years. The Reorganization Act of 1939 was also approved for a 2-year period, and expired in January 1941. Temporary wartime authority for emergency reorganizations was delegated under title I of the First War Powers Act of December 18, 1941, for the duration of the war and 6 months. The Reorganization Act of 1945, which expired on April 1, 1948, continued the prewar policy after its utilization had clearly established its advantages and effectiveness over normal legislative processes in the expedition of action on reorganizations within the executive branch.

President Hoover initiated 11 plans under the authority of the act of 1932, all of which were defeated through veto action in the House of Representatives, due to the impending change in administration. Under the 1933 act reorganizations were effected in agricultural credit, procurement, disbursement, national park, immigration, internal revenue, and various other functions. President Roosevelt submitted five plans under the act of 1939, involving the

creation of the Federal Security Agency, the Federal Works Agency, and the Federal Loan Agency, all of which were permitted to become law. Under this act the Executive Office of the President was also established.

Temporary changes effected under the War Powers Act, although extensive in some areas, were required to be made permanent under direct legislative action, or through permanent authority granted under the act of 1945. Under this latter act, President Truman submitted seven plans, three of which were disapproved by concurrent resolutions of both Houses of Congress. Sections of these were approved by other plans submitted subsequently, to overcome objections raised under the original plans.

The Congress, recognizing the urgent need for reorganization of the Federal Government, created a bipartisan Commission on Organization of the Executive Branch of the Government (Public Law 162, 80th Cong.) on July 7, 1947, composed of 12 members to be appointed from the Congress, from the executive branch of the Government, and from private life, to investigate and to report on the present organization and methods of operation of all executive departments and establishments, with recommendations for necessary reorganizations. The Commission was required to submit its report within 70 days after the convening of the Eighty-first Congress. Its work has now been completed and 18 separate reports have been submitted to the Congress, in conformity with this act, which reports are now pending before the Committee on Expenditures in the Executive Departments.

NEED FOR REORGANIZATION LEGISLATION

On January 13, 1949, the Honorable Herbert Hoover, Chairman of the Commission on Organization of the Executive Branch of the Government, submitted the following letter to the President pro Tempore of the Senate (H. Doc. 37):

COMMISSION ON ORGANIZATION OF THE
EXECUTIVE BRANCH OF THE GOVERNMENT,
Washington 25, D. C., January 13, 1949.

The Honorable KENNETH McKELLAR,
President pro tempore, United States Senate.

MY DEAR MR. PRESIDENT: The necessity for reorganization of the executive branch of the Government was clearly recognized by the Congress when it created this Commission in July 1947, with the full approval of the President. Congress assigned the Commission the duty of examination and recommendation under the following statement from the act creating the Commission:

"It is hereby declared to be the policy of Congress to promote economy, efficiency, and improved service in the transaction of the public business in the departments, bureaus, agencies, boards, commissions, offices, independent establishments, and instrumentalities of the executive branch of the Government by—

"(1) limiting expenditures to the lowest amount consistent with the efficient performance of essential services, activities, and functions;

"(2) eliminating duplication and overlapping of services, activities, and functions;

"(3) consolidating services, activities, and functions of a similar nature;

"(4) abolishing services, activities, and functions not necessary to the efficient conduct of government; and

"(5) defining and limiting executive functions, services, and activities."

This concern of Congress for economy and efficiency reflects the overwhelming interest of every thoughtful citizen and taxpayer in the land.

The writing and adoption of the Federal Constitution proved that a republic could deliberately analyze its political institutions and redesign its government to meet the demands of the future. The broad pattern that America then selected

is sound. Today we must deal with the infinitely more complicated government of the twentieth century. In doing so, we must reorganize the executive branch to give it the simplicity of structure, the unity of purpose, and the clear line of executive authority that was originally intended under the Constitution.

As a result of depression, war, new needs for defense, and our greater responsibilities in the foreign field, the Federal Government has become the most gigantic business on earth. In less than 20 years the number of its civil employees has risen from 570,000 to over 2,100,000. The number of bureaus, sections, services, and units has increased fourfold to over 1,800. Annual expenditures have increased from about \$3,600,000,000 to over \$42,000,000,000. The national debt per average family has increased from about \$500 to about \$7,500. Such rapid growth could not take place without causing serious problems. Organizational methods, effective 20 years ago, are no longer applicable. The growth of skills and methods in private organization has long since outmoded many of the methods of the Government.

This Commission has found that the United States is paying heavily for a lack of order, a lack of clear lines of authority and responsibility, and a lack of effective organization in the executive branch. It has found that great improvements can be made in the effectiveness with which the Government can serve the people if its organization and administration is overhauled.

This Commission has been engaged in its task for the last 16 months and is reaching its conclusions only after the most painstaking research. We decided at an early date that we must have the aid of leading and experienced citizens to assist us in making findings of fact and recommendation of remedies. The Commission, therefore, divided its work into functional and departmental segments; it created 24 "task forces" with authority to engage such research aid as they might require. About 300 outstanding men and women, expert and experienced in the fields to which they were assigned, have now submitted to us their findings and recommendations. Thanks are due them. They brought great talent and diligence to their work. Their findings will be found useful by the Congress and the executive branch in solution of the problems considered.

Some of the recommendations contained in the volumes of our report which we plan to file from time to time between now and the expiration of the life of the Commission, can be put into effect only by legislation. Others can be accomplished by executive action. But many of the most important can probably be accomplished only if the Congress reenacts and broadens the power to initiate reorganization plans which it had previously granted to the President under an act which expired on March 31, 1948.

The Commission recommends that such authority should be given to the President and that the power of the President to prepare and transmit plans of reorganization to the Congress should not be restricted by limitations or exemptions. Once the limiting and exempting process is begun it will end the possibility of achieving really substantial results.

But, in saying this, the Commission should not be understood as giving sweeping endorsement to any and all reorganization plans. It does believe that the safeguard against unwise reorganization plans lies both in a sound exercise of the President's discretion and in the reserved power in the Congress by concurrent resolution to disapprove any proposed plan.

Limitations or exemptions upon this power to reorganize should not be imposed other than that of congressional disapproval. They have arisen in the past chiefly in connection with the regulatory commissions. In one of its reports, the Commission will discuss these regulatory commissions in detail. It will point out in each case those regulatory functions which it is believed should continue to be performed independently. The Commission will also point out certain other functions which are of a different nature and which can be more efficiently and economically performed by purely executive officials. The inclusion in a reorganization act of provisions exempting certain agencies from its terms would prevent changes which are in accord with established principles in this field and which in no way impair the maintenance of independence and impartiality in the exercise of the great regulatory functions.

Similarly, the inclusion of general language, like that contained in section 5 (a) (6) of the Reorganization Act of 1945,¹ intended to prevent the submission of any

¹ "SEC. 5. (a) No reorganization plan shall provide for, and no reorganization under this Act shall have the effect of— * * * (6) imposing, in connection with the exercise of any quasi-judicial or quasi-legislative function possessed by an independent agency, any greater limitation upon the exercise of independent judgment and discretion, to the full extent authorized by law, in the carrying out of such function, than existed with respect to the exercise of such function by the agency in which it was vested prior to the taking effect of such reorganization; except that this prohibition shall not prevent the abolition of any such function; * * *."

plan which imposes limitations upon the independent exercise of "quasi legislative" or "quasi judicial" functions, would, in the Commission's judgment, be unwise. The phrases are extremely vague and of uncertain meaning. Ingenious and plausible arguments can be made to apply them to a wide range of functions which should clearly be subject to reorganization procedure. Such arguments would not be matters of purely theoretical concern or legislative debates, for the validity of reorganization could be made the subject of protracted litigation by private interests resisting the acts of a reorganized agency on the ground that it was illegally constituted. It might take several years of litigation to lay down interpretations of these general phrases and even then, uncertainty would remain.

The Commission, in accordance with the act of Congress creating it, as amended, will file its report in a series of parts or volumes, the last of which will be delivered within 70 days of the organization of the Eighty-first Congress. These reports will contain its findings and recommendations. They will begin with the top organization and structure of the executive branch and proceed through the services which are common to the whole executive branch to the reorganizations recommended for particular agencies and groups of agencies.

Yours faithfully,

HERBERT HOOVER, *Chairman.*

On January 17, 1949, the President of the United States submitted the following message to the Congress (H. Doc. 42):

To the Congress of the United States:

In my recent messages to the Congress I have presented the program which I believe this Government should follow in the months ahead. The magnitude and importance of that program, both at home and abroad, require able leadership and sound management. The Government must have the most effective administrative machinery to carry out its vast responsibilities.

The Congress has recognized these needs by the establishment of the Commission on the Organization of the Executive Branch of the Government. The recommendations of the Commission, which are soon to be reported to the Congress, may be expected to contribute significantly to our ability to meet the problem before us. To carry out those recommendations and to accomplish other improvements in the Government's complex operations will, however, require further and more detailed steps. Improving the management of the public's business calls for continuing efforts by the Congress, the President, and all agencies of Government.

Throughout my administration I have taken action to effect improvements in the organization and operation of the Government. In 1945 I asked the Congress to enact legislation authorizing permanent changes in administrative structure by the reorganization plan procedure. Under the authority granted by the Reorganization Act of 1945, numerous reorganizations were made which contributed to the efficiency of the Government and its transition from war to peace. The establishment of the permanent Housing and Home Finance Agency was an outstanding example of the improvements thus achieved. I also recommended, and the Congress enacted, a major improvement in the organization of our armed forces by the creation of the National Military Establishment. On matters not requiring legislation I have made program adjustments designed to increase the effectiveness of governmental operations.

It is my firm intention to continue to require, throughout the executive branch, the highest degree of attention to this need for improved management. I expect each department and agency head to consider this a major part of his responsibility. It is essential that they be given the tools for effective management of their agencies. Further, I believe that every official and employee of the Government should feel a personal responsibility for improving the way in which his work is performed.

Increased efficiency and economy in the Government's far-flung activities can be realized only if certain essentials of organization and operation are satisfied. These essentials are not confined to Government. They have proven their effectiveness in the successful operation of large-scale enterprise, both public and private. They are matters on which it is easy to agree in principle but which are often violated in practice.

There must be, first of all, a clear definition of the objectives of public programs. Second, organizational arrangements must be established which are consistent with those objectives and designed to produce responsible and effective administration. Third, qualified personnel must be obtained to administer the programs.

Fourth, the methods by which operations are conducted must be constantly reviewed and improved. Fifth, there must be provision for thoroughgoing review and evaluation of operations, by the President and the Congress, to assure that the objectives are being attained. These conditions can be achieved only through teamwork by the President and the Congress in carrying out their respective responsibilities under the Constitution for conducting the affairs of Government.

I have already recommended to the Congress two measures which will help us obtain better government. The enactment of legislation to increase the compensation of the heads and assistant heads of departments and agencies and to revise the Classification Act will greatly assist the Government in securing and holding the services of the best-qualified men and women. The appropriation to the President of a special fund of \$1,000,000 for management improvement will yield major contributions to the better operation of the Government. It will be used in part for the development and installation of recommendations coming from the Commission on Organization of the Executive Branch and, in part, for the preliminary expenses incident to the appraisal and trial of other suggested improvements. This fund will in no sense be a substitute for the present day-to-day efforts by all Government agencies to improve the conduct of their operations.

In addition to these steps, I am now recommending that the Congress enact legislation to restore permanently the reorganization procedure temporarily provided by the Reorganization Acts of 1939 and 1945. This procedure is the method of executive-legislative cooperation whereby a reorganization plan submitted to the Congress by the President becomes effective in 60 days unless rejected by both Houses of Congress.

In a letter to the President of the Senate and the Speaker of the House of Representatives, the Commission on the Organization of the Executive Branch of the Government has pointed out the need for such a method of reorganization in dealing with many of the changes which it will recommend. I fully agree with the Commission on the necessity of reviving the reorganization-plan procedure, which became inoperative on April 1, 1948.

In recommending the enactment of a new reorganization measure, I wish to emphasize three things.

First, the reorganization legislation should be permanent rather than temporary. While the work of the Commission on the Organization of the Executive Branch of the Government makes such legislation especially timely and essential, the improvement of the organization of the Government is a continuing and never-ending process. Government is a dynamic institution. Its administrative structure cannot be static. As new programs are established and old programs change in character and scope to meet the needs of the Nation, the organization of the executive branch must be adjusted to fit its changing tasks.

The impracticability of solving many problems of organization by the regular legislative process has been frankly recognized for many years by congressional leaders. In many cases, changes which are essential cannot attract the necessary legislative attention in competition with the many other matters pressing for congressional action. On the other hand, the reorganization plan affords a method by which action can be initiated and the proposal considered with a minimum consumption of legislative time.

The reorganization-plan procedure is a tested and proven means of dealing with organization problems. Twice within the last 10 years the Congress has authorized this method of reorganization for short periods. Under each of those authorizations many changes were made which added to the efficiency of the executive branch and tended to simplify its administration. The advances made during the brief life of the Reorganization Acts of 1939 and 1945 clearly indicate the desirability of permanent reorganization legislation.

Second, the new reorganization act should be comprehensive in scope; no agency or function of the executive branch should be exempted from its operation. Such exemptions prevent the President and the Congress from deriving the full benefit of the reorganization-plan procedure, primarily by precluding action on major organizational problems. A seemingly limited exemption may in fact render an entire needed reorganization affecting numerous agencies and functions wholly impractical. The proper protection against the possibility of unwise reorganization lies, not in the statutory exemption from the reorganization-plan procedure, but in the authority of Congress to reject any such plan by simple majority vote of both Houses.

Finally, let me urge early enactment. Under the reorganization procedure, reorganization plans must lie before the Congress for 60 calendar days of continuous session in order to become effective. Unless the necessary legislation is

adopted in the early weeks of the session, it obviously will be impossible to make effective use of the reorganization procedure during the present session.

The proper execution of the laws demands a simple, workable method of making organizational adjustments. Without it the efficiency of the Government is impaired and the President is handicapped in performing his functions as Chief Executive. In my judgment permanent legislation to restore the reorganization-plan procedure is an essential step toward efficient and economical conduct of the public's business.

HARRY S. TRUMAN.

THE WHITE HOUSE, *January 17, 1949.*

The need for extending authority granted to the President of the United States to submit reorganization proposals, as provided in the reorganization acts previously approved by Congress, has been set forth in the above-cited statements from the President of the United States and from the Chairman of the Commission on Organization of the Executive Branch. Further arguments in favor of extension of such authorization to the President were stressed in the testimony before the committee by the Comptroller General of the United States, the Assistant Director of the Bureau of the Budget, and former President Herbert Hoover, as well as by all other witnesses who testified at the hearings.

In formulating legislation authorizing the President to submit such reorganization proposals to Congress, it has been the conception of the committee that the recommendations submitted by the Commission on Organization of the Executive Branch might be effectuated under one of three procedures:

1. That those internal reorganizations providing for transfer of units and functions within a single establishment, and within limitations established by law, could be accomplished by administrative action or by Executive order of the President;

2. That transfers or reorganizations within the scope of authority granted under the pending legislation could be effectuated through reorganization plans submitted to the Congress by the President, if not disapproved by Congress; and

3. That other over-all recommendations relative to the transfer and reorganization of establishments created by acts of Congress, involving new functions, would require substantive legislation outlining policy and functions under congressional enactments.

Thus, any recommendations submitted to the Congress by the Commission on Organization of the Executive Branch would normally be subjected to close study by the President, with a view to determining which might be put into effect by administrative action, Executive order or reorganization plans, and those that would require legislative action initiated by the Congress. This program would reduce the legislative load of Congress and expedite the implementation of reorganization programs recommended by the Commission and the President, when they meet with the approval of both Houses of Congress.

COMPARISON OF PENDING BILL WITH THE REORGANIZATION ACT OF 1945

At the request of the committee, the Bureau of the Budget prepared a memorandum of explanation of the principal differences between the pending Senate bill, S. 526 (and the original House bill), and the Reorganization Act of 1945, which follows:

Section 3 (5). Delegation of functions

This provision adds another possible type of reorganization. The main purpose is to make it possible for top officials to delegate routine functions, which are now vested in them by law in such a manner as to prevent delegation. A survey of the statutory duties of the President discloses a great many matters requiring Presidential action, a large part of which could appropriately be assigned to other officers, but many of which the Attorney General indicates cannot now be delegated. A similar situation exists as to department heads. While it would be possible under the old language of the act to "transfer" such functions to subordinates in many cases outright transfer is not desirable as the officer in whom the function is now vested may need to be able to personally perform some part of the function or to withdraw or modify the delegation.

Section 3. Last part of section—Use of the term "reorganization"

For simplicity of language, at various points in this and subsequent sections the term "reorganization" or "reorganizations" is substituted for "transfers, consolidations, coordinations, abolitions, etc." The term "reorganization" is defined by section 8 to include all of the types of reorganizations authorized by section 3.

Section 4 (2)

(a) *"Other officers"*.—This change broadens the authority to create offices made necessary by a reorganization. The 1945 act was found too restrictive in this regard. For example, when the Social Security Board was abolished by Reorganization Plan 2 of 1946, it was necessary to provide in the plan for one or more officers to whom the Federal Security Administrator might assign the work of the former Board. Because the 1945 act limited the creation of officers to "heads" and "assistant heads" of agencies, it was necessary to establish the new officers as "assistant heads" of the Federal Security Agency. The change of language will permit a plan to provide for the appropriate type of officer in each case.

(b) *"Or other type of reorganization"*.—This language has been inserted after the word "consolidation" near the beginning of subparagraph (2) because an agency may result from other types of reorganizations besides a "consolidation." For example, in providing for coordination, it may be necessary to establish a coordinator or a coordination unit. Under the definition of "agency" in section 7, the coordinator or coordination unit would be an "agency."

(c) *Rate of compensation*.—The bill changes the provision limiting the rate of compensation for offices created by reorganization plan, because, pending the revision of top level administrative salaries, it is impossible to determine the proper maximum salary rate. Also, the new type of provision is preferable to a fixed maximum amount, since such an amount must be set at the appropriate level for department and agency heads and, therefore, is meaningless as to other types of offices which may be established by reorganization plan.

Section 5

Subparagraphs (1) and (2)—Creation of new departments.—The bill deletes the prohibitions contained in subparagraphs (1) and (2) of the 1945 act against creation of new executive departments by

reorganization plan. At least one agency—the Federal Security Agency—has been established by plan which obviously is of departmental magnitude and importance and should have been designated as an executive department. No good purpose has been served by the old prohibition.

The new language in subparagraph (1) prohibiting consolidation of two or more executive departments by reorganization plan conforms to the belief of the President that the elimination of an executive department should only be effected by statute.

New subparagraph (3).—This subparagraph omits certain restrictive language used in subparagraph (4) of the old act. The language deleted might have the effect of terminating permanent functions which might have been placed in a temporary agency. Obviously, permanent functions should not be killed for want of authority to restore them to their proper place in the Government upon the dissolution of a temporary agency to which they may have been assigned.

Old subparagraph (6).—The bill omits entirely subparagraph (6) of the 1945 act relating to quasi-judicial and quasi-legislative functions of independent agencies. The omission of this paragraph is in line with the recommendation of the President and the Commission on Organization of the Executive Branch of the Government. The meaning of the provision is vague and its effect would be to make it extremely difficult or impracticable to deal by reorganization plan with independent agencies having important quasi-judicial or quasi-legislative functions. There is a great deal of precedent in the Government for the administration of quasi-judicial and quasi-legislative functions by departments. For example, the Department of Agriculture administers more than a score of regulatory laws. Yet this provision would prevent the President and the Congress from even considering whether the transfer of a regulatory function from an independent agency to a department by reorganization plan would be desirable. While it is recognized that the administration of regulatory functions must be properly safeguarded, it is felt that a reorganization act should not contain limitations which might seriously interfere with needed improvements in organization. The appropriate safeguard against undesirable changes lies in the authority of the Congress to reject a reorganization plan of which it does not approve.

New subparagraph (6).—This limitation is desirable because the definition of “agency” in section 7 has been amended to extend the reorganization procedure to the District of Columbia.

Old paragraphs (b) to (d).—These paragraphs have been deleted. They exempted 11 specified agencies in whole or in part from the operation of the reorganization plan procedure. Such exemptions, even of major regulatory commissions, are very undesirable. Many of the regulatory commissions have nonregulatory functions which appropriately might be assigned to a different type of agency. Exemptions were contained in the 1939 and 1945 Reorganization Acts.

Old paragraph (e).—This paragraph prohibited reorganizations affecting agencies the status of which had been established by law subsequent to January 1, 1945. It had the effect of progressively restricting the area within which the reorganization act might operate, as it continually added to the list of exempted agencies.

Old paragraph (f).—The omission of this paragraph makes the bill permanent legislation.²

Section 7. Definition of agency

The new bill includes "councils" in the definition of agency and also extends the definition to include the District of Columbia. The term "council" is added because in recent years a number of Government agencies have been so designated, such as the Council of Economic Advisers and the National Security Council. The District of Columbia has been included both to permit improvements in the structure of the District government and to facilitate adjustments in the division of activities as between District and Federal agencies. Many activities are performed by Federal agencies for the District of Columbia and conversely a number of services are rendered by the District of Columbia government for the Federal Government.

The language with respect to corporations has been changed to avoid any question as to the inclusion of Government corporations which have no capital stock. While most Government corporations have capital stock owned by the Government, there are several non-stock corporations including Tennessee Valley Authority, Panama Railroad Company, and Federal Prison Industries, Inc. Also, the Government owns all or substantial parts of the stock of many corporations which are not "Government corporations" and should not be included under the act. For example, the Maritime Commission owns more than 90 percent of the stock of the American President Lines, and the Reconstruction Finance Corporation and the Alien Property Custodian own stock in many corporations. The term "Government corporation" was used in the definition of "agency" in title I of the First War Powers Act and some other statutes.

Section 8. Definition of reorganization

The definition of reorganization has been changed to cover all of the types of reorganization authorized by section 3 of the act but to exclude the changes authorized by section 4 which are incident to the reorganizations provided for in section 3. The new definition permits the use of the term "reorganization" at various points in the bill in lieu of an enumeration of the various types of reorganization specified in section 3.

Section 9. a. Saving provisions

The amendments to this paragraph are purely technical clarifications of language.

RESTRICTIVE PROVISIONS

The Reorganization Acts of 1932 and 1933 contained few exemptions or restrictions in reorganization procedure. The 1932 act authorized the transfer of the whole or any part of an executive agency or the functions thereof, but prohibited the abolition of any executive department or agency created by statute, or the elimination of its functions. The 1933 act modified this limitation to prohibit only the abolition or transfer of an executive department or the functions thereof.

The 1939 and 1945 acts prohibited the abolition or transfer of an executive department or all the functions thereof, or establishing any

² Committee amendment terminates authority on April 1, 1953.

new executive department, or changing the name of any executive department or the title of its head to "Department" or "Secretary".

The 1939 act provided that no reorganization plan should transfer, consolidate, or abolish the whole or any part of, nor the functions of, 21 listed agencies, as follows: Civil Service Commission, Coast Guard, Engineer Corps of the United States Army, Mississippi River Commission, Federal Communications Commission, Federal Power Commission, Federal Trade Commission, General Accounting Office, Interstate Commerce Commission, National Labor Relations Board, Securities and Exchange Commission, Board of Tax Appeals, United States Employees' Compensation Commission, United States Maritime Commission, United States Tariff Commission, Veterans' Administration, National Mediation Board, National Railroad Adjustment Board, Railroad Retirement Board, the Federal Deposit Insurance Corporation, and the Board of Governors of the Federal Reserve System.

The 1945 act exempted wholly from the operation of the act the civil functions of the Corps of Engineers of the United States Army, and the General Accounting Office. Also, it exempted, except for the transfer to such agencies of other agencies and the functions thereof, six commissions and boards, as follows: The Interstate Commerce Commission, the Federal Trade Commission, the Securities and Exchange Commission, the National Mediation Board, the National Railroad Adjustment Board, and the Railroad Retirement Board. In addition, it provided that no reorganization should affect the Federal Communications Commission, the Federal Deposit Insurance Corporation, the United States Tariff Commission, and the Veterans' Administration, if it also provided for a reorganization not affecting such agencies. The total of all such exemptions in this act affected 11 agencies in the executive branch.

HOUSE AMENDMENTS TO PENDING BILL

The House of Representatives included two major amendments to H. R. 2361, the companion measure to the pending bill, as follows:

1. Section 5. (a), which originally provided as follows:

SEC. 5. (a) No reorganization plan shall be provided for, and no reorganization under this Act shall have the effect of—

(1) Abolishing or transferring an executive department or the functions thereof, or consolidating any two or more executive departments, or all the functions thereof.

New language was included prohibiting the establishment of any new executive department or designating any agency as a department, or its head as Secretary, similar to the 1939 and 1945 acts (now incorporated in H. R. 2361) as follows:

SEC. 5. (a) No reorganization plan shall provide for and no reorganization under this Act shall have the effect of—

(1) abolishing or transferring an executive department or all the functions thereof, establishing any new executive department, designating any agency as "Department" or its head as "Secretary," or consolidating any two or more executive departments or all the functions thereof;

2. A new subsection, the so-called single-package amendment was added to Section 5 by the House Committee, as follows:

(b) A reorganization plan providing for a reorganization affecting any agency named below in this subsection may not provide also for a reorganization which does not affect such agency; except that this prohibition shall not apply to the

transfer to such agency of the whole or any part of, or the whole or any part of the functions of, any agency not so named. No provision contained in a reorganization plan shall take effect if the reorganization plan is in violation of this subsection. The agencies above referred to in this subsection are as follows: National Military Establishment, Board of Governors of the Federal Reserve System, Interstate Commerce Commission, Securities and Exchange Commission.

This was further amended on the floor of the House to include three additional boards: Railroad Retirement Board, National Mediation Board, and National Railroad Adjustment Board.

Former President Herbert Hoover, Chairman of the Commission on Organization of the Executive Branch, in testifying before the committee relative to the effect such an amendment would have on reorganization authority proposed to be granted by the pending legislation, stated:

Mr. HOOVER. I recommend that you delete the "national defense" segment of that amendment. As to the regulatory agencies, there is no great objection to it from my point of view because I do not believe that any President would interfere with their quasi-judicial or quasi-legislative functions. In any event, the change does not deprive him of the opportunity to make proposals.

The CHAIRMAN. You favor the removal of the National Military Establishment from the restrictions imposed by this subsection?

Mr. HOOVER. That is cutting out one-third of the whole executive arm of the Government; right off.

The CHAIRMAN. That provision, I assume, is placed in there at the instance of the members of the Committee on Armed Services, who are very anxious, of course, to review any plan that may be submitted, that would affect the National Military Establishment. And may I say for the record that some members of the Senate Committee on Armed Services have also expressed the hope that a similar provision would be incorporated in the bill by this committee?

Mr. HOOVER. Senator, you have only got to name about nine other branches of the Government, and the whole plan is destroyed. The point is that there are reforms which must be applied to the whole executive arm, not to single segments.

The CHAIRMAN. If nine departments are named, the next step might be to include the independent agencies?

Mr. HOOVER. Yes.

AMENDMENTS PROPOSED IN COMMITTEE

At the hearings before this committee, witnesses appeared in behalf of similar treatment for other agencies, including the Federal Deposit Insurance Corporation and the Comptroller of the Currency, in order that they might be given the same consideration as the Board of Governors of the Federal Reserve System in the above-quoted House amendment. The proponents of this amendment expressed no objection to these agencies being left out of the bill entirely, provided the Federal Reserve System is also omitted, but stressed the importance of uniform provisions applying to all three of these establishments on an equal basis.

Senators Johnson of Colorado and Maybank proposed an amendment to section 5 as follows:

(b) A reorganization plan providing for a reorganization affecting any agency named below in this subsection may not provide also for a reorganization which affects any agency not so named; except that this prohibition shall not apply to the transfer to such agency of the whole or any part of, or the whole or any part of the functions of, any agency not so named. No provision contained in the reorganization plan shall take effect if the reorganization plan is in violation of this subsection. The agencies above referred to in this subsection are as follows: Interstate Commerce Commission, Federal Communications Commission, Federal Power Commission, Federal Trade Commission, United States Maritime Commission, the United States Tariff Commission, the Securities and Exchange Commission, and Civil Aeronautics Board.

Senator Wiley requested that the Federal Security Agency also be included in the group of restricted agencies so that preferential consideration might be given to the Bureau of Employment Security and proposed that the bill be amended to provide that any reorganization plan affecting that Bureau should require specific authorization by both Houses of Congress rather than for rejection of the plan.

Senator Millard Tydings suggested the following amendment in regard to the National Military Establishment, as preferable to the language in the House bill:

On page 7, between lines 5 and 6, insert the following new subsection:

“(b) A reorganization plan providing for a reorganization affecting the National Military Establishment may not provide also for a reorganization which does not affect such establishment; except that this prohibition shall not apply to the transfer to such establishment of the whole or any part of, or the whole or any part of the functions of, any other agency. No provision contained in a reorganization plan shall take effect if the reorganization plan is in violation of this subsection.”

Senator Karl E. Mundt submitted a consolidated amendment designed to combine certain provisions of the above-quoted amendments, as follows:

(c) (1) A reorganization plan providing for a reorganization affecting any agency named below in this paragraph may not provide also for a reorganization which affects any agency not so named; except that this prohibition shall not apply to the transfer to such agency of the whole or any part of, or the whole or any part of the functions of, any agency not so named. No provision contained in the reorganization plan shall take effect if the reorganization plan is in violation of this paragraph. The agencies above referred to in this paragraph are as follows: Interstate Commerce Commission, Federal Communications Commission, Federal Trade Commission, United States Maritime Commission, the United States Tariff Commission, the Securities and Exchange Commission, and Civil Aeronautics Board.

(2) A reorganization plan providing for a reorganization affecting the National Military Establishment or the civil functions of the Corps of Engineers of the United States Army may not provide also for a reorganization which does not affect such establishment or civil functions; except that this prohibition shall not apply to the transfer to such establishment or corps of the whole or any part of, or the whole or any part of the functions of, any other agency. No provision contained in a reorganization plan shall take effect if the reorganization plan is in violation of this paragraph.

EXEMPTION OF THE CORPS OF ENGINEERS

By far the largest number of witnesses appeared in behalf of the exemption of the civil functions of the Corps of Engineers, including representatives of valley improvement, flood control and development associations, chambers of commerce, and other State and civic organizations: 17 of the 25 witnesses appearing at the hearings, and 14 of the 23 resolutions and communications submitted for the record, were in support of such exemption. In addition, hundreds of telegrams and letters from 44 States and the District of Columbia were received by the committee, expressing opposition to granting any reorganization authority to the President which would permit the transfer of the civil functions of the Corps of Engineers to any other department or agency.

Such transfer was proposed in the majority report of the Commission on the Organization of the Executive Branch of the Government, on the Department of the Interior, submitted to the Congress on March 17, 1949, which recommended that these functions be turned over to

the Department of the Interior. In commenting on this proposal, the minority views, submitted by Commissioners McClellan and Manasco, included the following pertinent arguments of similar import to the testimony submitted at the hearings:

A reorganization plan embracing and putting into effect the recommendations of the majority, relating to the transfer of the civil functions of the Corps of Engineers, would not promote either economy or efficiency, nor would it improve the transaction of the public business by limiting expenditures and eliminating duplications, in accordance with the declared policy of Congress in the act creating the Commission on Organization of the Executive Branch of the Government. On the contrary, such reorganization would produce waste, inefficiency, increased expenditures, and such disorganized and divided responsibility, as would impair rather than improve the transaction of public business.

The effect would be to completely emasculate the Corps of Engineers, and deprive it of the practicable and effective peacetime training program, from which it now derives the maximum in responsibility and experience that serve to equip and strengthen it for the task it must perform in time of war. Stripping it of civil functions in peacetime would be a crippling blow of serious consequences to our National Defense Establishment.

The record of the Corps of Engineers over a period of more than 125 years has commanded the highest praise and commendation from the most competent authorities at home and from governments and its contemporaries abroad. It has performed with such outstanding efficiency that the Congress has continuously increased its work and committed to it ever greater responsibilities. Covetous eyes have long gazed upon its accomplishments. That other interests and agencies of Government have designs upon the civil functions of the Corps of Engineers in a matter of general knowledge. This subtle and reckless attack upon its enviable record, this bold attempt to transfer the principal peacetime functions of one of the most efficient services of the Government to another agency less competent and not equipped by either training or experience to immediately accept and meet the responsibilities involved has nothing in wisdom or statesmanship to recommend it to the approval of the Congress.

The transfer of the civil functions of the Corps of Engineers to the Department of the Interior envisions placing this responsibility in the Bureau of Reclamation. The argument or any hope that such a transfer is in the interest of either economy or efficiency is refuted by the specific examples cited by the majority in support of its recommendation for such transfer.

The "inadequate evaluation of projects illustrated by underestimation of costs when presented to Congress," emphasized in the majority report, cites the Colorado-Big Thompson project, that increased from the original estimate of \$44,000,000 to \$131,800,000; the Hungry Horse project in Montana that increased from the original estimate of \$6,300,000 to \$93,500,000; and the Central Valley of California project that increased from the original estimate of \$170,000,000 "to probably over several hundred million dollars."

The source of these underestimates and the responsibility for the poor advice given to the Congress with respect to the cost of those projects was the same Bureau of Reclamation to whom the majority would now entrust full responsibility for the direction and supervision of the greatest peacetime construction program in the history of our Nation. This must not happen.

The majority report contemplates not only the transfer of the civil functions of the Corps of Engineers but also the transfer of the physical properties, tools, equipment, and materials, now in use by the Corps of Engineers in the performance of these services. This would include the transfer of the hydraulics laboratory at Vicksburg, Miss., and the operation of it. This means that much of the equipment of the Corps of Engineers would have to be replaced to enable it to carry on any work or training with modern equipment.

This is a critical period in world history. The uncertainties of peace and the possibilities of another world war it seems to us should preclude any thought of weakening our military potentialities by turning from tried, tested, and proven policies and programs to an experimentation in something that has little or no hope of success.

Maj. Gen. Lewis A. Pick, division engineer, Omaha, Nebr., who is the incoming Chief of the Corps of Engineers, submitted February 15, 1949, a statement to the Senate Committee on Expenditures in the Executive Departments, in which he said:

"In the execution of these responsibilities, the Corps of Engineers has built up through the years an organization of Engineer officers and civilians with an unparalleled background of experience in the design and construction of river-control structures and harbor improvements. I do not believe that this organization could be dissembled and regrouped within any other agency and carry on with the same high proficiency and economy the river-control objectives of the Congress. They are a team. That team blankets the entire Nation, capable not only of meeting all the requirements of its normal civil functions, but ready also to meet the challenge of any disaster or emergency that threatens the well-being of the people it serves."

The reports of the Corps of Engineers on the necessity for and on the economic justification of our river projects are not influenced by political considerations. It is now proposed by this transfer to create a gigantic bureau under civilian direction in the executive branch of Government. This department with the concentration within it of all the major public works of the Government will be built into a power that can wield a political influence far greater than any ever attained by any other department of Government. We believe the building up of such power in one single department of this Government is neither wise nor safe.

Furthermore, combining all construction in one department will give the head of that department almost dictatorial power over the economic life of our Nation. It will afford the opportunity to use such power through patronage and favoritism to constantly increase and strengthen its influence, not only over other agencies in the executive branch of the Government, but upon the Congress as well. Such tremendous power could well be used toward destroying the independence of the Congress and make it largely subservient to the will of this gigantic department.

We are strongly in favor of effective reorganization in the executive branch of the Government, but we cannot agree to or silently acquiesce in plans and proposals that concentrate in one agency unprecedented powers that could well be used to promote unsound policies and greater inefficiency than we can hope to correct by any reorganization now being attempted.

The committee also received the following letter from Lt. Gen. Leslie R. Groves, concerning the exemption of the Corps of Engineers after the hearings had closed, as follows:

REMINGTON RAND, INC.,
LABORATORY OF ADVANCED RESEARCH,
South Norwalk, Conn., March 25, 1949.

The Honorable JOHN L. McCLELLAN,
The United States Senate, Washington, D. C.

MY DEAR SENATOR: I am writing to you as an American citizen interested in the welfare of his country and vitally concerned lest through unwise action her security and strength be weakened. I am a citizen who was, for almost 30 years, an officer in the Corps of Engineers, and whose son is now an officer in the corps. I was naturally greatly disturbed by the recommendation of the majority of the Hoover Commission to transfer the civil functions of the Corps of Engineers of the Army to the Department of the Interior. I was very much pleased with the soundness of your dissenting report in which former Representative Carter Manasco joined.

The construction operations in this country for which I was responsible until September 1942, when I was placed in charge of the atomic bomb project, reached a peak of over \$600,000,000 a month of construction actually built. The Corps of Engineers could not have achieved this if we had not had the previous experience of our peacetime civil functions, particularly the river and harbor work, nor could we have carried it forward if we had not had a going, military organization thoroughly trained and actively engaged in engineering construction. Without that experience the atomic bomb would never have been produced. Throughout that work I called upon the strength of the going organization of the Corps of Engineers.

If the civil functions of the Corps of Engineers had been in the hands of the Department of the Interior at the time the emergency started, I am certain that the military construction program would have hopelessly bogged down, even if it had been placed promptly under the complete control of Engineer officers. I can also tell you that the atomic bomb would never have been produced under such conditions.

This type of construction required a dual knowledge which only the training of Engineer officers provided: namely an intimate knowledge of military require-

ments and a thorough knowledge of construction, particularly with wide-spread operations, where time was generally the controlling factor.

One of the particular advantages of river and harbor work in the training of officers in the Corps of Engineers is that it so often presents emergency situations where time is all controlling just as it is in war.

I am writing this not as a retired officer of the Army, but as a citizen who is intensely interested in the welfare of this country. I believe that I am in a better than average position to know what the effects of such a transfer would be.

I want to tell you that I appreciate the position which you have taken and that I feel that it is one which is in the best interests of the United States. We must have an adequate appreciation of the absolute essentiality of a competent Corps of Engineers in time of war. As I read the international news of today, I cannot help but feel that the proposal of the majority is somewhat similar to a proposal to reorganize a fire department after the first alarm has sounded.

With appreciation for the position you have taken,

Sincerely yours,

LESLIE R. GROVES,
Lieutenant General, United States Army, Retired.

COMMITTEE ACTION ON AMENDMENTS

1. Disapproval of reorganization plans by either branch of Congress

In order that the President might include essential Government reorganizations in conformity with the recommendations of the Commission on Organization of the Executive Branch, the committee was reluctant to include exemptions for specified agencies or to retain the House amendments placing certain of them in a restricted category, in the belief that such exemptions might interfere with realignments that would be desirable and in the public interest.

It became increasingly apparent during the hearings on the pending legislation that, in view of the wide interest expressed in behalf of some of these proposed exemptions and restrictions, a number of them would be approved and included in the bill either in committee or on the floor of the Senate.

It was determined that the most direct and effective way to eliminate the need for exemptions was to include an amendment providing that a simple resolution of disapproval by either the House or the Senate would be sufficient to reject and disapprove any reorganization plan submitted by the President.

By reserving to either House the power to disapprove, Congress retains in itself the power to determine whether reorganization plans submitted to the Congress by the President shall become law. The power of disapproval reserved to each House by the bill does not delegate to either House the right to make revisions in the plans, but it will enable each House to prevent any such plan of which it disapproves from becoming law. The power thus reserved to each House seems essentially the same as that possessed by each House in the ordinary legislative process, in which process no new law or change in existing law can be made if either House does not favor it. No significant difference would seem to exist by reason of the fact that under the ordinary legislative process the unwillingness of either House to approve the making of new laws or a change in existing law is manifested by the negative act of refusing to register a favorable vote, whereas under the bill the unwillingness must be manifested by the affirmative act of the passage of a resolution of disapproval of a reorganization plan. The unessential character of this difference becomes even more apparent when regard is had to the stringent rule

contained in the bill which makes impossible actions calculated to delay or prevent consideration of resolutions of disapproval which have been favorably reported by the appropriate committee.

In adopting this amendment, by a vote of 10 to 2, the committee agrees that no amendments to exempt any agency of the Government or other restrictions would be included, but the members reserve the right to submit amendments exempting specific agencies if the Senate fails to sustain the provision for the disapproval of a plan by simple resolution of either House.

2. Restrictive amendments rejected by the committee

Following this action, the committee refused to include the House amendment to section 5, which provides that the submission of a reorganization plan affecting seven named agencies, may not provide also for a reorganization which does not affect such agencies.

While the committee was in general accord with the intent of such amendment, in order to avoid any restriction whatsoever, it was not approved. It was the consensus of the committee, however, that it would be desirable and in accordance with the most effective reorganization procedure for the President to transmit reorganization plans which contain only related reorganizations. To that end, an amendment was adopted to section 2 (b) declaring it to be the policy of the Congress that each reorganization plan contain only related reorganizations. If this course is followed, specific proposals of related subject matter and related functions which are proposed to be reorganized may be given consideration by the Congress upon the merits of such proposals only without regard to unrelated reorganizations which might otherwise be included in a plan. Thus, while the so-called "single package" proposal has been eliminated from the bill, the committee favors the general purport of the House amendment and desires to stress the importance of related reorganizations in the interest of actually accomplishing an effective and efficient reorganization of the Government. The President is strongly urged to adhere to such a policy in the transmission of reorganization plans to the Congress.

The committee took action on all amendments submitted by Members of the Senate, as follows:

The committee rejected the provision contained in section 5 (1) of H. R. 2361, prohibiting the creation of new departments. This was in line with the above-outlined position designed to place no restrictions on the President in the submission of reorganization plans, and will permit the submission of reorganization plans calling for the establishment of new departments with Cabinet rank. Some reservation regarding this proposal was indicated by members of the committee should the Senate not sustain the provision for disapproval by simple resolution.

For similar reasons the amendment proposed by Senator Tydings, requiring that reorganization plans affecting the National Military Establishment may not also provide for a reorganization which does not affect such Establishment, and the amendment submitted by Senators Johnson of Colorado and Maybank placing the quasi-judicial and quasi-legislative organizations in a somewhat similar status, were rejected unanimously by the committee.

An amendment to exempt the civil functions of the Corps of Engineers, offered by the chairman, was defeated by a vote of 5 to 4. Several members of the committee indicated, however, that in voting against this exemption they reserved the right to favor such exemption should the Senate not approve the amendment providing for disapproval of reorganization plans by either the House of Representatives or the Senate.

An amendment offered by Senator Mundt consolidated the amendments previously offered by Senator Johnson of Colorado and Senator Tydings. The consolidated amendment provided for a so-called "one package" reorganization plan with respect to certain designated agencies. This amendment was rejected by the committee in line with its previous action to eliminate all exemptions and restrictions from the bill, subject, however, to the retention in the bill of the provision requiring the disapproval of reorganization plans by simple resolution of either House of Congress.

3. Limitation of reorganization authority to April 1, 1953

The House bill contained the administration's recommendation relative to eliminating time limitations included in previous acts; granting reorganization authority to the President on a permanent basis. The general consensus of witnesses appearing before this committee relative to this provision of the pending bills was that the 2-year limitation included in prior acts did not permit sufficient time for the President to prepare reorganization plans and submit them to Congress for action.

This committee agreed with the latter point of view, but was of the opinion that Congress should retain some control which would permit periodical examinations of the authority, with a view to determining its effectiveness through reports from the President relative to reorganizations effected thereunder and savings and efficiency attained through such reorganizations, so that the basic authority might be either extended or restricted, as may be required to meet the then existing circumstances. To assure such review by Congress an amendment was adopted to provide for the expiration of the act as of April 1, 1953.

4. Appointment of officials in the government of the District of Columbia

The following amendment, suggested to the committee by the Bureau of the Budget, was adopted:

In page 5, line 13, change the semicolon at the end of the line to a comma and add the following:

except that, in the case of any officer of the municipal government of the District of Columbia it may be by the Board of Commissioners or other body or officer of such government designated in the plan;

Under the original provision, it would not be possible to provide in a reorganization plan for a District officer to be appointed by the Board of Commissioners or other appropriate agency of the District of Columbia government unless the position were placed in the classified civil service. In the case of principal officials, such as department heads, it would scarcely be desirable to require civil-service appointment. Nor should the President be burdened with the selection of such officials. Since the members of the Board of Commissioners are appointed by the President with the consent of the Senate and have

general responsibility for the administration of District affairs, it would seem that the proper procedure for the selection of District officers in most cases would be appointment by the Board of Commissioners or by officers or bodies directly responsible to the Board.

Any adequate reorganization of the administrative machinery of the District government would in all probability have to create some new departments and department and bureau heads. In many of these cases, appointment under the classified civil service would not be suitable. At the same time, it would not be desirable either to burden the President with the selections or to relieve the Board of Commissioners and their principal officials of the responsibility for the choice of administrative officers in the agencies for the supervision of which the Commissioners are responsible. This amendment, to permit the District Commissioners to make appointments under authority already granted by Congress, was approved unanimously by the committee.

CONSTITUTIONALITY OF CONGRESSIONAL DISAPPROVAL OF REORGANIZATION PLANS

To clarify any possible questions as to the constitutionality of congressional disapproval of reorganization plans by (1) a simple resolution of either House of the Congress, or (2) a concurrent resolution of both Houses, the chairman on instructions from the committee requested an opinion from the Attorney General of the United States, by letter dated February 28, 1949, as follows:

FEBRUARY 28, 1949.

Hon. TOM C. CLARK,
The Attorney General, Washington 25, D. C.

DEAR MR. ATTORNEY GENERAL: The Senate Committee on Expenditures in the Executive Departments has for consideration proposed legislation (S. 526 and H. R. 2361, 81st Cong.) under which there would be delegated to the President authority to prepare and submit to the Congress plans for the reorganization of the executive branch of the Government, which plans would have the force and effect of law if not disapproved by the Congress within the period of time and in the manner prescribed by the authorizing legislation.

The attention of the committee has been invited to an opinion rendered by former Attorney General Mitchell on January 24, 1933 (37 Ops. Atty. Gen. 56, 63-64), in which he expressed doubt as to the constitutionality of provisions of section 407 of the act of June 30, 1932 (47 Stat. 414), providing for the disapproval of such reorganization plans by resolution of either House of the Congress. In view of the language contained in that opinion, the committee has directed me to request your opinion on the following questions:

(1) Can such disapproval be effected constitutionally by a simple resolution of either House of the Congress?

(2) Can such disapproval be effected constitutionally by a concurrent resolution of both Houses of the Congress?

Sincerely yours,

JOHN L. McCLELLAN, *Chairman.*

(A reply was received on March 17, 1949, as follows:)

MARCH 17, 1949.

Hon. JOHN L. McCLELLAN,
United States Senate, Washington, D. C.

MY DEAR SENATOR: This is in reply to your letter of February 28, 1949, in which you asked for the Attorney General's opinion concerning the constitutionality of a provision in the pending reorganization bills, S. 526 and H. R. 2361, which would permit the Congress to express its disapproval of reorganization plans by concurrent resolution.

Specifically, you have asked whether congressional disapproval of reorganization plans can be effected constitutionally by (1) a simple resolution of either House of the Congress, or (2) a concurrent resolution of both Houses.

As you know, the statutes authorize the Attorney General to render opinions only to the President and heads of the executive departments. It is the view of the Attorney General, in accordance with the position taken by his predecessors, that this authority does not extend to Members of the Congress or to committees thereof. We are, therefore, unable to furnish you with an opinion on the questions asked.

I believe, however, that the questions could properly be the subject of testimony by a representative of this Department before your committee, and I am accordingly enclosing a memorandum which sets forth the views which would be expressed in such testimony.

Yours sincerely,

PEYTON FORD,
The Assistant to the Attorney General.

(The memorandum accompanying the foregoing letter is as follows:)

RE CONSTITUTIONALITY OF PROVISIONS IN PROPOSED REORGANIZATION BILLS
NOW PENDING IN CONGRESS (S. 526 AND H. R. 2361, 81ST CONG., 1ST SESS.)

A question has been raised as to the constitutionality of section 6 of the above-described bills, which would provide that reorganization plans would take effect upon the expiration of 60 calendar days following transmission to the Congress, provided that there has been no expression of disfavor, in the form of a concurrent resolution, from the Congress during the 60-day interval. More specifically, the question raised is whether, in the light of an opinion by Attorney General Mitchell, rendered on January 24, 1933 (37 Ops. Atty. Gen. 56, 63-64), a Congressional expression of disapproval may constitutionally be effected in this manner.

It is believed that this question should definitely be answered in the affirmative.

In his opinion, Attorney General Mitchell cast doubt upon the constitutionality of a provision in an appropriation act of June 30, 1932, which authorized the President, by Executive order, to consolidate, redistribute, and transfer various Government agencies and functions. That act provided for the transmittal of the President's reorganization orders to the Congress to become effective after 60 days, and provided further that "if either branch of Congress within such 60 calendar days shall pass a resolution disapproving of such Executive order or any part thereof, such Executive order shall become null and void to the extent of such disapproval." With respect to this provision, Attorney General Mitchell said:

"It must be assumed that the functions of the President under this act were executive in their nature or they could not have been constitutionally conferred upon him, and so there was set up a method by which one House of Congress might disapprove Executive action. No one would question the power of Congress to provide for delay in the execution of such an administrative order, or its power to withdraw the authority to make the order, provided the withdrawal takes the form of legislation. The attempt to give to either House of Congress, by action which is not legislation, power to disapprove administrative acts, raises a grave question as to the validity of the entire provision in the act of June 30, 1932, for Executive reorganization of governmental functions."

This statement by Attorney General Mitchell was obiter dictum. His opinion was concerned only with the constitutionality of proposed legislation affecting tax refunds, and his objection to the reorganization provisions of the act of June 30, 1932, was stated by him merely as an example of the way in which the Congress had been encroaching upon Executive functions.

Moreover, Attorney General Mitchell's opinion, insofar as it intimated the unconstitutionality of the reorganization provisions of the act of June 30, 1932, was based upon an unsound premise, namely, that the Congress in disapproving a reorganization plan is exercising a legislative function in a nonlegislative manner. But the Congress exercises its full legislative power when it passes a statute authorizing the President to reorganize the executive branch of the Government by means of reorganization plans. At that point the Congress decides what the policy shall be and lays down the statutory standards and limitations which shall be the framework of Executive action under the Reorganization Act. If the legislation stops there, with no provision for future reference to the Congress, the President's authority to reorganize the Government is complete. Indeed, such authority was given in full to President Roosevelt in the Reorganization Act of 1933 (47 Stat. 1517).

The question of the legality of the delegation by the Congress of the power to the President to reorganize the executive branch of the Government has been resolved not only by previous Congresses but also by the courts. Witness the Reorganization Acts of 1933, 1938, and 1945. (See also *Isbrandtsen-Moller Co. v. United States*, 14 F. Supp. 407 (3-Judge Dist. Ct., S. D. N. Y.), affirmed on other grounds, 300 U. S. 139; *Swayne & Hoyt v. United States*, 18 F. Supp. 25 (3-Judge Dist. Ct., D. C.), affirmed on other grounds, 300 U. S. 297; *Sibbach v. Wilson & Co.*, 312 U. S. 1, 15.)

The pattern of the 1939 and 1945 Reorganization Acts has been to give the reorganization authority to the President, and then provide machinery whereby the Congress may approve or disapprove the plans proposed by the President. Such approval or disapproval by the Congress or either House thereof is not a legislative act. Nor is it, in the circumstances, an improper legislative encroachment upon the Executive in the performance of functions delegated to him by the Congress. As indicated above, the authority given to the President to reorganize the Government is legally and adequately vested in the President when the Congress takes the initial step of passing a reorganization act.

The question here raised relates to the reservation by the Congress of the right to disapprove action taken by the President under the statutory grant of authority. Such reservations are not unprecedented. There have been a number of occasions on which the Congress has participated in similar fashion in the administration of the laws. An example is to be found in section 19 of the Immigration Act of 1917, as amended (8 U. S. C. 155 (c); Public Law 863, 80th Cong.), which requires the Attorney General to report to the Congress cases of suspension of deportation of aliens and which provides further that "if during the session of the Congress at which a case is reported * * * the Congress passes a concurrent resolution stating in substance that it favors the suspension of such deportation, the Attorney General shall cancel the deportation proceedings. * * * If prior to the close of the session of the Congress next following the session at which a case is reported, the Congress does not pass such a concurrent resolution, the Attorney General shall thereupon deport such alien * * *." The Congress has thus reserved the opportunity to express approval or disapproval of executive actions in a described field.

Still other examples may be found in the laws relating to the administration by the Secretary of the Navy of the naval petroleum reserves, which require consultation by him with the Armed Services Committees of the Congress before he takes certain types of action, such as entering into certain contracts relating to those reserves, starting condemnation proceedings, etc. (34 U. S. C. 524); and in the statute which requires the Joint Committee on Printing to give its approval before an executive agency may have certain types of printing work done outside of the Government Printing Office (44 U. S. C. 111).

It cannot be questioned that the President in carrying out his Executive functions may consult with whom he pleases. The President frequently consults with congressional leaders, for example, on matters of legislative interest—even on matters which may be considered to be strictly within the purview of the Executive, such as those relating to foreign policy. There would appear to be no reason why the Executive may not be given express statutory authority to communicate to the Congress his intention to perform a given Executive function unless the Congress by some stated means indicates its disapproval. The Reorganization Acts of 1939 and 1945 gave recognition to this principle. The President, in asking the Congress to pass the instant reorganization bill, is following the pattern established by those acts, namely by taking the position that if the Congress will delegate to him authority to reorganize the Government, he will undertake to submit all reorganization plans to the Congress and to put no such plan into effect if the Congress indicates its disapproval thereof. In this procedure there is no question involved of the Congress taking legislative action beyond its initial passage of the Reorganization Act. Nor is there any question involved of abdication by the Executive of his Executive functions to the Congress. It is merely a case where the Executive and the Congress act in cooperation for the benefit of the entire Government and the Nation. (See *Hirabayashi v. United States*, 320 U. S. 81, 91-34).

For the foregoing reasons, it is not believed that there is constitutional objection to the provision in section 6 of the reorganization bills which permits the Congress by concurrent resolution to express its disapproval of reorganization plans.

Calendar No. 213

81ST CONGRESS
1ST SESSION

S. 526

[Report No. 232]

IN THE SENATE OF THE UNITED STATES

JANUARY 17, 1949

Mr. McCLELLAN (for himself, Mr. EASTLAND, Mr. MCCARTHY, Mr. HOEY, and Mr. O'CONOR) introduced the following bill; which was read twice and referred to the Committee on Expenditures in the Executive Departments

APRIL 7 (legislative day, MARCH 18), 1949

Reported by Mr. McCLELLAN, with amendments

[Omit the part struck through and insert the part printed in italic]

A BILL

To provide for the reorganization of Government agencies, and
for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 TITLE I

4 SHORT TITLE

5 SECTION 1. This Act may be cited as the "Reorganiza-
6 tion Act of 1949".

7 NEED FOR REORGANIZATIONS

8 SEC. 2. (a) The President shall examine and from
9 time to time reexamine the organization of all agencies of

1 the Government and shall determine what changes therein
2 are necessary to accomplish the following purposes:

3 (1) to promote the better execution of the laws,
4 the more effective management of the executive branch
5 of the Government and of its agencies and functions,
6 and the expeditious administration of the public
7 business;

8 (2) to reduce expenditures and promote economy,
9 to the fullest extent consistent with the efficient opera-
10 tion of the Government;

11 (3) to increase the efficiency of the operations of
12 the Government to the fullest extent practicable;

13 (4) to group, coordinate, and consolidate agencies
14 and functions of the Government, as nearly as may be,
15 according to major purposes;

16 (5) to reduce the number of agencies by con-
17 solidating those having similar functions under a single
18 head, and to abolish such agencies or functions thereof
19 as may not be necessary for the efficient conduct of the
20 Government; and

21 (6) to eliminate overlapping and duplication of
22 effort.

23 (b) The Congress declares that the public interest de-
24 mands the carrying out of the purposes specified in sub-
25 section (a) and that such purposes may be accomplished in

great measure by proceeding under the provisions of this Act, and can be accomplished more speedily thereby than by the enactment of specific legislation. *The Congress further declares that it is in the public interest and in accordance with the most effective reorganization procedure that each reorganization plan transmitted by the President under section 3 contain only related reorganizations.*

REORGANIZATION PLANS

SEC. 3. Whenever the President, after investigation, finds that—

(1) the transfer of the whole or any part of any agency, or of the whole or any part of the functions thereof, to the jurisdiction and control of any other agency; or

(2) the abolition of all or any part of the functions of any agency; or

(3) the consolidation or coordination of the whole or any part of any agency, or of the whole or any part of the functions thereof, with the whole or any part of any other agency or the functions thereof; or

(4) the consolidation or coordination of any part of any agency or the functions thereof with any other part of the same agency or the functions thereof; or

(5) the authorization of any officer to delegate any of his functions; or

1 (6) the abolition of the whole or any part of any
2 agency which agency or part does not have, or upon
3 the taking effect of the reorganization plan will not have
4 any functions,
5 is necessary to accomplish one or more of the purposes of
6 section 2 (a), he shall prepare a reorganization plan for
7 the making of the reorganizations as to which he has made
8 findings and which he includes in the plan, and transmit such
9 plan (bearing an identifying number) to the Congress, to-
10 gether with a declaration that, with respect to each reorgan-
11 ization included in the plan, he has found that such
12 reorganization is necessary to accomplish one or more of the
13 purposes of section 2 (a). The delivery to both Houses
14 shall be on the same day and shall be made to each House
15 while it is in session. The President, in his message trans-
16 mitting a reorganization plan, shall specify with respect to
17 each abolition of a function included in the plan the statutory
18 authority for the exercise of such function.

19 OTHER CONTENTS OF PLANS

20 SEC. 4. Any reorganization plan transmitted by the
21 President under section 3—

22 (1) shall change, in such cases as he deems neces-
23 sary, the name of any agency affected by a reorganiza-
24 tion, and the title of its head; and shall designate the

1 name of any agency resulting from a reorganization and
2 the title of its head;

3 (2) may include provisions for the appointment and
4 compensation of the head and one or more other officers
5 of any agency (including an agency resulting from a
6 consolidation or other type of reorganization) if the
7 President finds, and in his message transmitting the plan
8 declares, that by reason of a reorganization made by the
9 plan such provisions are necessary. The head so pro-
10 vided for may be an individual or may be a commission
11 or board with two or more members. In the case of
12 any such appointment the term of office shall not be fixed
13 at more than four years, the compensation shall not be
14 at a rate in excess of that found by the President to
15 prevail in respect of comparable officers in the executive
16 branch, and, if the appointment is not under the classi-
17 fied civil service, it shall be by the President, by and
18 with the advice and consent of the Senate, *except that,*
19 *in the case of any officer of the municipal government*
20 *of the District of Columbia, it may be by the Board of*
21 *Commissioners or other body or officer of such govern-*
22 *ment designated in the plan;*

23 (3) shall make provision for the transfer or other
24 disposition of the records, property, and personnel af-
25 fected by any reorganization;

(4) shall make provision for the transfer of such unexpended balances of appropriations, and of other funds, available for use in connection with any function or agency affected by a reorganization, as he deems necessary by reason of the reorganization for use in connection with the functions affected by the reorganization, or for the use of the agency which shall have such functions after the reorganization plan is effective, but such unexpended balances so transferred shall be used only for the purposes for which such appropriation was originally made;

12 (5) shall make provision for ~~winding up~~ *termi-*
13 *nating* the affairs of any agency abolished.

14 LIMITATIONS ON POWERS WITH RESPECT TO
15 REORGANIZATIONS

16 SEC. 5. (a) No reorganization plan shall provide for,
17 and no reorganization under this Act shall have the effect of—

18 (1) abolishing or transferring an executive depart-
19 ment or all the functions thereof or consolidating any two
20 or more executive departments or all the functions
21 thereof; or

(2) continuing any agency beyond the period authorized by law for its existence or beyond the time when it would have terminated if the reorganization had not been made; or

(3) continuing any function beyond the period authorized by law for its exercise, or beyond the time when it would have terminated if the reorganization had not been made; or

(4) authorizing any agency to exercise any function which is not expressly authorized by law at the time the plan is transmitted to the Congress; or

(5) increasing the term of any office beyond that provided by law for such office; or

(6) transferring to or consolidating with any other agency the municipal government of the District of Columbia or all those functions thereof which are subject to this Act, or abolishing said government or all said functions.

(b) No provision contained in a reorganization plan shall take effect unless the plan is transmitted to the Congress before April 1, 1953.

TAKING EFFECT OF REORGANIZATIONS

SEC. 6. (a) Except as may be otherwise provided pursuant to subsection (c) of this section, the provisions of the reorganization plan shall take effect upon the expiration of the first period of sixty calendar days, of continuous session of the Congress, following the date on which the plan is transmitted to it; but only if, between the date of transmittal and the expiration of such sixty-day period

1 there has not been passed by *either of* the two Houses a con-
 2 ~~current~~ resolution stating in substance that ~~the Congress that~~
 3 *House* does not favor the reorganization plan.

4 (b) For the purposes of subsection (a) —

5 (1) continuity of session shall be considered as
 6 broken only by an adjournment of the Congress sine
 7 die; but

8 (2) in the computation of the sixty-day period
 9 there shall be excluded the days on which either House
 10 is not in session because of an adjournment of more
 11 than three days to a day certain; ~~except that if a reso-~~
 12 ~~lution (as defined in section 202) with respect to such~~
 13 ~~reorganization plan has been passed by one House and~~
 14 ~~sent to the other, no exclusion under this paragraph~~
 15 ~~shall be made by reason of adjournments of the first~~
 16 ~~House taken thereafter.~~

17 (c) Any provision of the plan may, under provisions
 18 contained in the plan, be made operative at a time later
 19 than the date on which the plan shall otherwise take effect.

20 DEFINITION OF "AGENCY"

21 SEC. 7. When used in this Act, the term "agency"
 22 means any executive department, commission, council, inde-
 23 pendent establishment, Government corporation, board, bu-
 24 reau, division, service, office, officer, authority, administration,
 25 or other establishment, in the executive branch of the Gov-

ernment, and means also any and all parts of the municipal government of the District of Columbia except the courts thereof. Such term does not include the Comptroller General of the United States or the General Accounting Office, which are a part of the legislative branch of the Government.

MATTERS DEEMED TO BE REORGANIZATIONS

SEC. 8. For the purposes of this Act the term "reorganization" means any transfer, consolidation, coordination, authorization, or abolition, referred to in section 3.

SAVING PROVISIONS

SEC. 9. (a) (1) Any statute enacted, and any regulation or other action made, prescribed, issued, granted, or performed in respect of or by any agency or function affected by a reorganization under the provisions of this Act, before the effective date of such reorganization, shall, except to the extent rescinded, modified, superseded, or made inapplicable by or under authority of law or by the abolition of a function, have the same effect as if such reorganization had not been made; but where any such statute, regulation, or other action has vested the function in the agency from which it is removed under the plan, such function shall, insofar as it is to be exercised after the plan becomes effective, be considered as vested in the agency under which the function is placed by the plan.

(2) As used in paragraph (1) of this subsection the

1 term "regulation or other action" means any regulation, rule,
2 order, policy, determination, directive, authorization, permit,
3 privilege, requirement, designation, or other action.

4 (b) No suit, action, or other proceeding lawfully com-
5 menced by or against the head of any agency or other officer
6 of the United States, in his official capacity or in relation
7 to the discharge of his official duties, shall abate by reason of
8 the taking effect of any reorganization plan under the pro-
9 visions of this Act, but the court may, on motion or sup-
10 plemental petition filed at any time within twelve months
11 after such reorganization plan takes effect, showing a neces-
12 sity for a survival of such suit, action, or other proceeding
13 to obtain a settlement of the questions involved, allow the
14 same to be maintained by or against the successor of such
15 head or officer under the reorganization effected by such plan
16 or, if there be no such successor, against such agency or officer
17 as the President shall designate.

18 UNEXPENDED APPROPRIATIONS

19 SEC. 10. The appropriations or portions of appropria-
20 tions unexpended by reason of the operation of this Act
21 shall not be used for any purpose, but shall be impounded
22 and returned to the Treasury.

23 PRINTING OF REORGANIZATION PLANS

24 SEC. 11. Each reorganization plan which shall take
25 effect shall be printed in the Statutes at Large in the same

1 volume as the public laws, and shall be printed in the
2 Federal Register.

3 TITLE II

4 SEC. 201. The following sections of this title are enacted
5 by the Congress:

6 (a) As an exercise of the rule-making power of the
7 Senate and the House of Representatives, respectively, and
8 as such they shall be considered as part of the rules of each
9 House, respectively, but applicable only with respect to the
10 procedure to be followed in such House in the case of resolu-
11 tions (as defined in section 202) ; and such rules shall super-
12 sede other rules only to the extent that they are inconsistent
13 therewith; and

14 (b) With full recognition of the constitutional right of
15 either House to change such rules (so far as relating to the
16 procedure in such House) at any time, in the same manner
17 and to the same extent as in the case of any other rule of
18 such House.

19 SEC. 202. As used in this title, the term "resolution"
20 means only a concurrent resolution of the two Houses of
21 Congress, the matter after the resolving clause of which is
22 as follows: "That the Congress does not favor the reorgani-
23 zation plan numbered ——— transmitted to Congress by the
24 President on ———, 19—.", the blank spaces therein
25 being appropriately filled; and does not include a concur-

1 ~~rent resolution which specifies more than one reorganiza-~~
2 ~~tion plan.~~

3 *SEC. 202. As used in this title, the term "resolution"*
4 *means only a resolution of either of the two Houses of*
5 *Congress, the matter after the resolving clause of which is*
6 *as follows: "That the —— does not favor the reorganiza-*
7 *tion plan numbered — transmitted to Congress by the Presi-*
8 *dent on ———, 19—.", the first blank space therein*
9 *being filled with the name of the resolving House and the*
10 *other blank spaces therein being appropriately filled; and*
11 *does not include a resolution which specifies more than one*
12 *reorganization plan.*

13 *SEC. 203. A resolution with respect to a reorganization*
14 *plan shall be referred to a committee (and all resolutions*
15 *with respect to the same plan shall be referred to the same*
16 *committee) by the President of the Senate or the Speaker*
17 *of the House of Representatives, as the case may be.*

18 *SEC. 204. (a) If the committee to which has been re-*
19 *ferred a resolution with respect to a reorganization plan has*
20 *not reported it before the expiration of ten calendar days after*
21 *its introduction (or, in the case of a resolution received from*
22 *the other House, ten calendar days after its receipt), it shall*
23 *then (but not before) be in order to move either to discharge*
24 *the committee from further consideration of such resolution,*

1 or to discharge the committee from further consideration of
2 any other resolution with respect to such reorganization plan
3 which has been referred to the committee.

4 (b) Such motion may be made only by a person favor-
5 ing the resolution, shall be highly privileged (except that it
6 may not be made after the committee has reported a resolu-
7 tion with respect to the same reorganization plan), and
8 debate thereon shall be limited to not to exceed one hour,
9 to be equally divided between those favoring and those oppos-
10 ing the resolution. No amendment to such motion shall be
11 in order, and it shall not be in order to move to reconsider
12 the vote by which such motion is agreed to or disagreed to.

13 (c) If the motion to discharge is agreed to or disagreed
14 to, such motion may not be renewed, nor may another motion
15 to discharge the committee be made with respect to any
16 other resolution with respect to the same reorganization
17 plan.

18 SEC. 205. (a) When the committee has reported, or
19 has been discharged from further consideration of, a resolu-
20 tion with respect to a reorganization plan, it shall at any
21 time thereafter be in order (even though a previous motion
22 to the same effect has been disagreed to) to move to pro-
23 ceed to the consideration of such resolution. Such motion
24 shall be highly privileged and shall not be debatable. No

1 amendment to such motion shall be in order and it shall not
 2 be in order to move to reconsider the vote by which such
 3 motion is agreed to or disagreed to.

4 (b) Debate on the resolution shall be limited to not to
 5 exceed ten hours, which shall be equally divided between
 6 those favoring and those opposing the resolution. A motion
 7 further to limit debate shall not be debatable. No amend-
 8 ment to, or motion to recommit, the resolution shall be in
 9 order, and it shall not be in order to move to reconsider the
 10 vote by which the resolution is agreed to or disagreed to.

11 SEC. 206. (a) All motions to postpone, made with
 12 respect to the discharge from committee, or the consideration
 13 of, a resolution with respect to a reorganization plan, and
 14 all motions to proceed to the consideration of other business,
 15 shall be decided without debate.

16 (b) All appeals from the decisions of the Chair relating
 17 to the application of the rules of the Senate or the House of
 18 Representatives, as the case may be, to the procedure relat-
 19 ing to a resolution with respect to a reorganization plan
 20 shall be decided without debate.

21 SEC. 207. If, prior to the passage by one House of a
 22 resolution of that House with respect to a reorganization
 23 plan, such House receives from the other House a resolution
 24 with respect to the same plan, then—

25 (a) If no resolution of the first House with respect to

1 such plan has been referred to committee, no other resolu-
2 tion with respect to the same plan may be reported or
3 ~~(despite the provisions of section 204 (a))~~ be made the
4 subject of a motion to discharge.

5 ~~(b)~~ If a resolution of the first House with respect to
6 such plan has been referred to committee—

7 ~~(1)~~ the procedure with respect to that or other res-
8 olutions of such House with respect to such plan which
9 have been referred to committee shall be the same as if
10 no resolution from the other House with respect to such
11 plan had been received; but

12 ~~(2)~~ on any vote on final passage of a resolution of
13 the first House with respect to such plan the resolu-
14 tion from the other House with respect to such plan shall
15 be automatically substituted for the resolution of the
16 first House.

[Report No. 232]

A BILL

To provide for the reorganization of Government agencies, and for other purposes.

By Mr. McCLELLAN, Mr. EASTLAND, Mr. MC-CARTHY, Mr. HOEY, and Mr. O'CONOR

JANUARY 17, 1949

Read twice and referred to the Committee on Expenditures in the Executive Departments^{*}

APRIL 7 (legislative day, MARCH 18), 1949

Reported with amendments

A-9577267, Apessos, Ioannis Pndellis alias John P. Apessos.
 A-6879669, Appelthaler, Katerina.
 A-6879668, Appelthaler, Kurt Robert.
 A-2211955, Arellano, Domingos Ramos.
 A-1393347, Arellano, Soledad Valadez or Soledad Maria Valadez.
 A-6071241, Arellano, Innocencio.
 A-6071239, Arellano, Domingo, Jr., or Dominic Arellano.
 A-6071240, Arellano, Juan or John Arellano.
 A-3779214, Arlt, Hans Erich Lothar.
 A-1153452, Arrighi, Alessandro or Alexander or Alessandro Arigo.
 A-6301280, Bagniewski, Wanda Stanislaw or Wanda Stanislaw Kiernik.
 A-6821666, Bastide, Genevive Marcelle.
 A-2118744, Bau, Siu-Tsung or Marguerite Janet Bau Chang.
 A-3419857, Baum, Betty.
 A-3151534, Baumann, Henrik Chaskiel or Henry Baumann.
 A-6026888, Beitelstein, Anton, Anton Stein, Tony Stein, or Anton Beidelstein, Anton Beitelstein.
 A-7765476, Berard, Jorge Vandesmet.
 A-5920168, Berkle, Ivera Romalia.
 A-6434078, Bernheimer, Ludwig.
 A-5153633, Bianchi, Luigi.
 A-5932180, Blake, Eulalie Constanca or Eulalie Constanca Turnbull.
 A-6760216, Blake, Helena Ketruda or Helena Ketruda Powell.
 A-3113337, Bober, Maria Theresia Gerber.
 A-6466991, Borraccia, Lorenzo.
 A-6288235, Bronner, Eugenia Michael formerly Eugenia Gavriloff, nee Losseff.
 A-6283068, Bronner, Helen Tamara Marianna formerly Helen Tamara Marianna Gavriloff.
 A-6316110, Brouwer, Frans Hieronimus Borgman.
 A-6625552, Brown, Doris nee Singh.
 A-2673048, Brown, Morris Simon alias Movsa Braunreit.
 A-6701608, Burgers, Willem Adolph Johan.
 A-6645933, Butterick, Janet Barry or Janet Barry Mack.
 A-7651629, Candia, Jose alias Jose Candia Urguidi or Jose Urguidi or Joe.
 A-9769688, Carro, Alfredo or Alfred Carro.
 A-3299176, Castillo, Geronimo or Giro Castillo.
 A-6336616, Chalmers, Bromley Russell Scott.
 A-6336617, Chalmers, Jill.
 A-7041842, Chin, Yuen Chew or Chin Yuen Chew or Chew Yuen Chinn.
 A-5138325, Chui, Wan; Chui Wan; Hang Kin Chui; Hankin Hunt.
 A-1581731, Ciesla, Ludwik.
 A-5179937, Valdes, Maria Hortensia Clemente y Sanches McDonald; or Hortensia Clemente Y Sanchez McDonald Valdes nee Hortensia Clemente Y Sanchez; Maria Hortensia Clemente Sanchez or Maria Hortensia Clementa McDonald.
 A-5611302, Cohen, Joseph.
 A-4860986, Cohen, Gertie Gertrude.
 A-2554813, Conradt, Ernst Heinrich Wilhelm or Ernst Henry Conradt.
 A-6262074, Cucullu, Francesca R.
 A-2113086, DaGoutis, Louise Emilie nee Masse.
 A-6404432, Davis, Diane May.
 A-6404433, Davis, Eileen Marie.
 A-6404431, Davis, Philip Bennet.
 A-2945357, Dawson, Harriet Mae or Hattie Mae Lloyd or Harriet Mae Gibson.
 A-4746398, De Escalante, Alicia Adriana Vara or Alicia Adriana Vara-Solis DeCordero.
 A-3197506, De Gomez, Rita Avena alias Rita Avena.
 A-6079055, Dimakos, Christos alias Christos Demakos.
 A-4665465, DiPietro, Sebastiano or Pietro Petrillo or Grido Cardella.
 A-9836789, Drioli, Salvatore.
 A-9671716, Elvir, Cesar Augusto.

A-4785369, Engles, Elsie Violet nee Elsie Violet Huffman.
 A-5906567, Fahle, Adeline nee Nibbs.
 A-3481412, Fahle, Joseph Alfred.
 A-5832029, Fahle, Rebecca.
 A-3193626, Fekete, Agnes Elizabeth nee Pauza now Kourcosk or Korscak.
 A-6774677, Frank, Annie or Ann Frank or Ann Burtnik Frank or Annie Burtnik Frank.
 A-6716135, Frazer, Joseph Wellington.
 A-6464484, Frenkel, Mayer.
 A-6020425, Gabriel, Manuel Gimenez.
 A-6405609, Gallegos, Manuel or Manuel Medina.
 A-3750703, Garcia, Juan or John Garcia.
 A-6063595, Garcia, William Joseph.
 A-5140522, Garlipp, Franz Hermann or Frank Herman Garlipp.
 A-5048436, Ghinelli, Germano or Jerry Ghinelli.
 A-6051631, Gobb, Marguerite Elinor nee Aaron also known as Marguerite Elinor Aaron.
 A-6500830, Gomez, Maria Pilar alias Olivia Gomez alias Maria Olivia Gomez Pedroza or Maria Pilas Gomez Quesada.
 A-6288439, Greaves, Anne Marie nee Anne Marie Erneste Pierre Monlouis-Eugene.
 A-6630058, Gson-Niebling, Goesta Bertil.
 A-3053878, Hanko, Joseph Ewald or Joseph or Jozef Hanko.
 A-6413603, Harvie, Meryl Lorraine or Meryl Lorraine Grayson.
 A-6369265, Hernandez-Gutierrez, Jose Maria.
 A-4463931, Halmburger, Rudolf Gustave or Rudolf Halmburger.
 A-6590997, Huggins, William Archibald.
 A-6425288, Jacobs, Olive Jane.
 A-6446194, Joanta, Florence nee Florence Antonescu.
 A-9505156, Johansen, Kristian Rudolf.
 A-4624493, Kimbell, Ofelia Aycardi nee Aycardi.
 A-9706894, Kokolis, Jonnes Peter; or Kokolis, John Peter alias John Nicholas Kokolis or Ioannis Kokolis or Ioannis Giannaris or Ioannis Panagiotis Kokolis or Ioannis Koukalis.
 A-6489767, Kozrzak, Lita Foerster nee Lita Foerster.
 A-6440727, Kovar, Anton or Anton Joseph Kovar.
 A-6208118, Kromhout, Arie Jan.
 A-4549842, Laeske, Hedwig Anna formerly Browne nee Bardeleben.
 A-6484122, Lansford, Ethel Matilda formerly Ethel Matilda Molohon nee MacDonald.
 A-2773539, Lee, Ruth Mo or Ruth Lo-Tak Mo.
 A-56122739, Lencovich, Joseph Peter.
 A-1304739, Lepore, Salvatore alias Samuel or Sam Lepore alias Samuel Le Poce.
 A-4769421, Lettsome, Edward or Edward Letsome.
 A-1424552, Levitsky, Thomas.
 A-6261599, Longos, Katina.
 A-1322447, Lopez-Martinez, Juan.
 A-2365797, de Lopez, Maria Valadez-Romero.
 A-4388670, Lo Surdo, Sebastiano.
 A-2145986, Lucas, Lieselotte or Lieselotte Muenzer or Lotte Muenzer or Munzer.
 A-6706960, Luschnig, Klaus Oswald or Klaus Carnival.
 A-4584463, Mac Clymont, David or Thomas Wood.
 A-5777765, Mahlman, Bruno William or Bruno William Dietrich Mahlman.
 A-4052648, Malerba, Domenico or Domenick Malerba.
 A-6095324, Mantzuranis, Evagelia or Evagelia Mantzurani or Evagelia Stratigakis.
 A-6645782, Mar, Judy alias Judy Muck.
 A-6645783, Mar, James alias James Muck.
 A-6566614, Mariades, Helene Agouras formerly Helene Andrea Agouras.
 A-6612108, Marquez, Arturo.
 A-6612107, Marquez, Maria Del Carmen.
 A-6694634, Martinez, Cruz.
 A-6689502, McDougall, Joseph Ignatius.
 A-3024922, McGill, John Joseph.

A-6603045, Mendoza, Julio.
 A-6608918, Mendoza, Jose Salome.
 A-9578104, Montgomery, Clem.
 A-5694677, Muller, Mathias or Mathew Muller.
 A-5694675, Muller, Barbara nee Messner.
 A-3869778, Munoz, Maria Amparo Gegunde Gomez nee Maria Gegunde.
 A-2481845, Munroe, Harold Bruce.
 A-9801088, Newton, Arthur.
 A-4026037, Nimeneh, Thomas Kun or Thomas Nimeneh or Thomas Nimeneh-Bey or Thomas Kun Nemereh or Keen Nimeneh or Sam Nimeneh or Keen Nimeh.
 A-4651936, O'Dwyer, Elizabeth nee Ahern alias Elizabeth Organ.
 A-6611843, Ottley, Robyn Josephine.
 A-9836874, Paiceira, Vicente or Vicente Paiceira Perez.
 A-2201575, Palermo, Rosario or Richard Ross Palermo or Ross Palermo.
 A-3140422, Palermo, Salvatore or Samuel Palermo.
 A-3236433, Palermo, Vincenzo or James Palermo.
 A-3140520, Palermo, Anna.
 A-9769360, Pane, Antonino or Anthony Pane or Antonio Pane.
 A-6256122, Papadakis, Georgia N.
 A-4642742, Parasiliti, Nicola Sebastiano Collazzo or Nicola Sebastiano Parasiliti Collazzo or Nicholas Parasi or Benny Pernite or Nicholas Benny Pernite.
 A-6374752, Paul, Alvin Colton Thomas Theophilus.
 A-6331342, Piekarz, Hersz.
 A-6633957, Pilostomos, Christos Antonios.
 A-7598205, Questel, Francois Marie Edouard, or Edouard Questel.
 A-5369159, Ramos, Anastacio.
 A-3586557, Ramos, Anacleto.
 A-5711339, Rando, Bartolo.
 A-4798904, de Rangel, Rita Morales or Rita Arroyo.
 A-7703612, Rehen, Estrid Viola Margareta or Estrid Viola Margareta Tengwall nee Sundberg.
 A-9582529, Reinsma, Otte or Otto Reinsma.
 A-6290531, Reiter, Fanny nee Diamond or Fany Reiter.
 A-4030409, Resch, Frank or Frank Reck or Franz Resch.
 A-6608814, Reynolds, Bernard Douglas.
 A-5917858, Robles, Isidro.
 A-6001963, Roberts, Norma Elizabeth or Norma E. Roberts or Norma Roberts.
 A-7757524, Roders, Naomi Elizabeth.
 A-6113669, Roman-Rodriguez, Antonio.
 A-3680851, Rostar, Victor.
 A-6373974, Rothstein, Izydor.
 A-6373973, Rothstein, Helena.
 A-6611826, Rudd, James Sidney.
 A-3667351, Ruiz-Carillo De Quintero, Maria or Dolores Cardenas-Soto.
 A-2549950, Rullo, Hazel Ann nee DeLisie.
 A-9776541, Russo, Salvatore.
 A-5155753, Sagert, Clarence James.
 A-5573562, Schenk, Otto alias Otto Lehman.
 A-5151143, Schneider, Richard Georg.
 A-4728863, Schenberg, Wilhelm Heinrich August or William Schoenberg.
 A-6376906, Semega, Maria nee Maria Palovcik.
 A-5314309, Shee, Ong Kwok or Ong Kwock Shee or Roy Ong.
 A-6378087, Shumis, Artemis Troyannou or Artenoula Trogiannou or Artemis Troiannou or Artemis Troyannou.
 A-1963646, Sirianos, George or Georgios Theodore Sirianos.
 A-6446698, Smedley, Shane Karen Douglas.
 A-4699538, Sommer, Oscar Felix or Oskar Felix Sommer or Felix Sommer.
 A-5465763, Stevens, Annie Isabella.
 A-6772017, Sturmer, Gerlinde Maria.
 A-4433087, Tackolander, Leonard Helge alias Leonard Quire.
 A-5880975, Tatem, Edmund Adolphus.

A-7539649, Tomas-Morelli, Jose or Jose Tomas, Junior.

A-5357499, Tornow, Marie nee Wejnls or Marie Fischer.

A-6345256, Trapatsa, Chrysoula.

A-9836782, Ullah, Anfar.

A-6346062, Vafides, Olga nee Rafaeledes.

A-9727432, Valjas, Artemi.

A-6459280, Vasquez, Jorge Carrion alias Robert Franco.

A-1114647, Vestes, Stratos or Ernest Vestes alias Efstiatios Vestis.

A-6690309, Villegas, Ramon alias Ramon Villegas-Ortiz.

A-6785838, Wallace, Ezra.

A-1052865, Wasserman, Benjamin or Bernard Wasserman or Benjamin Wasserman.

A-5750607, Wayditch, Julia alias Julia Bornyaszi Oroszy.

A-4392874, Whearty, James Patrick or James Wheatley.

A-6431871, Willman, Phillip John Archibald.

A-4777885, Wilson, Arthur Rutherford.

A-7799625, Wilson, Walter Allen.

A-6078139, Wright, Lourdes Dizon.

A-6757818, Yang, Chao-Chen.

A-6739338, Yang, Dzing-Tsch Shun.

A-2963630, Yueling, Joseph or Yoesef.

MAMIE L. HURLEY

The Senate proceeded to consider the bill (H. R. 594) for the relief of Mamie L. Hurley, which had been reported from the Committee on the Judiciary with an amendment, at the end of the bill, to change the period to a colon, and insert:

Provided further, That nothing in this act shall be construed as an inference of liability on the part of the United States.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

MRS. MARION T. SCHWARTZ

The Senate proceeded to consider the bill (H. R. 1169) for the relief of Mrs. Marion T. Schwartz, which had been reported from the Committee on the Judiciary with an amendment, on page 1, in line 6, after the words "sum of," to strike out "\$4,000" and insert "\$1,671."

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

FIRST-CITIZENS BANK & TRUST CO., ETC.

The Senate proceeded to consider the joint resolution (S. J. Res. 18) for the relief of the First-Citizens Bank and Trust Co., administrator of the estate of C. A. Ragland, Sr., which had been reported from the Committee on the Judiciary with amendments, on page 2, in line 9, after the word "entitled", to strike out: ", together with interest on such sum at the rate of 6 per centum per annum from August 19, 1938; and (2) the sum of \$1,555.55 representing actual court costs incurred by the said First-Citizens Bank and Trust Company in presenting such claim to the Court of Claims"; and in line 14, after the word "such", to strike out "sums," and insert "sum", so as to make the joint resolution read:

Resolved, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the First-Citizens

Bank & Trust Co., of Raleigh, N. C., as administrator of the estate of C. A. Ragland, Sr., deceased, (1) the sum of \$9,860.35, the amount to which the Court of Claims found the said First-Citizens Bank & Trust Co., entitled, the payment of such sum being in full satisfaction of the claim of the said First-Citizens Bank & Trust Co., against the United States for compensation for work performed by the late C. A. Ragland, Sr., under contracts numbered 1-1P-5554 and 1-1P-5688, on projects 1T1 and 2E2, Shenandoah-Great Smoky Mountains Parkway.

The amendments were agreed to.

Mr. HENDRICKSON. Mr. President, may we have an explanation of the joint resolution?

Mr. McCARRAN. Mr. President, the purpose is to provide for the payment to the First Citizens Bank & Trust Co., of Raleigh, N. C., as administrator of the estate of C. A. Ragland, Sr., the sum of \$9,860, to which the Court of Claims found the trust company to be entitled, after consideration as authorized by Senate Resolution 256 of the Seventy-eighth Congress.

The matter was before the Seventy-eighth Congress, at which time the parties were authorized to sue in the Court of Claims, and the Court of Claims has approved this judgment.

Mr. HENDRICKSON. I thank the Senator.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

ELLEN HUDSON, ADMINISTRATRIX

The Senate proceeded to consider the bill (S. 42) for the relief of Ellen Hudson, as administratrix of the estate of Walter R. Hudson, which has been reported from the Committee on the Judiciary with amendments, on page 1, in line 5, after the name "Ellen Hudson," to insert "of 804 South Verdugo Road, Glendale, California"; and in line 7, after the words "sum of", to strike out "\$15,000" and insert "\$7,500", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ellen Hudson, of 804 South Verdugo Road, Glendale, Calif., as administratrix of the estate of Walter R. Hudson, deceased, the sum of \$7,500, in full satisfaction of the claim of such estate against the United States for compensation for the death of the said Walter R. Hudson as a result of personal injuries sustained by him when the automobile in which he was riding was struck by a United States Army vehicle, near Pittman, Nev., on April 4, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third, and passed.

BARBARA O'BRIEN FARQUER

The Senate proceeded to consider the bill (S. 408) for the relief of Barbara O'Brien Farquer, which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause and insert:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of William E. O'Brien, deceased, late of Detroit, Mich., the sum of \$10,232, in full settlement of all claims of the said estate against the United States on account of the death of the said William E. O'Brien, on November 20, 1943, as a result of injuries sustained when an airplane in which he was sitting was struck by an Army airplane at the Detroit City Airport, Detroit, Mich.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of the estate of William E. O'Brien."

BILL PASSED OVER

The bill (S. 526) to provide for the reorganization of Government agencies, and for other purposes, was announced as next in order.

Mr. HENDRICKSON. Mr. President, let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

CLAIM OF HARRY W. SHARPLEY, ETC.

The Senate proceeded to consider the bill (H. R. 595) to confer jurisdiction upon the Court of Claims to hear, determine and render judgment upon a certain claim of Harry W. Sharpley, his heirs, administrators, or assigns, against the United States, which had been reported from the Committee on the Judiciary, with an amendment, at the end of the bill to change the period to a colon, and insert:

And provided further, That nothing in this act shall be construed as an inference of liability on the part of the United States.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

CARL E. LAWSON AND THE FIREMAN'S FUND INDEMNITY CO.

The Senate proceeded to consider the bill (H. R. 1271) for the relief of Carl E. Lawson and Fireman's Fund Indemnity Co., which had been reported from the Committee on the Judiciary with an amendment, on page 1, in line 6, after the word "California", to strike out "and to pay the sum of \$1,038.79 to the Fireman's Fund Indemnity Co., of San Francisco, Calif.,"; and in line 11, to strike out "and

The Senator from Connecticut [Mr. BALDWIN] is absent by leave of the Senate.

The Senator from New Jersey [Mr. SMITH] is absent because of illness. If present and voting, the Senator from New Jersey [Mr. SMITH] would vote "nay."

The result was announced—yeas 48, nays 21, as follows:

YEAS—48

Anderson	Hill	Myers
Brewster	Hoey	O'Mahoney
Butler	Holland	Reed
Byrd	Johnson, Colo.	Robertson
Cain	Kerr	Russell
Capehart	Knowland	Saltonstall
Cordon	Lodge	Schoeppel
Donnell	Long	Smith, Maine
Ellender	Lucas	Stennis
Frear	McCarthy	Thye
Fulbright	McClellan	Tydings
George	McGrath	Vandenberg
Graham	McKellar	Watkins
Green	Martin	Williams
Gurney	Miller	Withers
Hickenlooper	Mundt	Young

NAYS—21

Connally	Johnston, S. C.	Malone
Douglas	Kem	Morse
Downey	Kilgore	Murray
Ecton	Langer	Neely
Ferguson	McCarran	Sparkman
Gillette	McFarland	Taylor
Hayden	McMahon	Wiley

NOT VOTING—27

Alken	Humphrey	O'Connor
Baldwin	Hunt	Pepper
Bricker	Ives	Smith, N. J.
Bridges	Jenner	Taft
Chapman	Johnson, Tex.	Thomas, Okla.
Chavez	Kefauver	Thomas, Utah
Eastland	Magnuson	Tobey
Flanders	Maybank	Wagner
Hendrickson	Millikin	Wherry

So the bill H. R. 3704 was passed

Mr. McGRATH. I move that the Senate insist upon its amendments, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. HUNT, Mr. McGRATH, Mr. JOHNSTON of South Carolina, Mr. MCCARTHY, and Mr. SCHOEPEL conferees on the part of the Senate.

ORGANIZATION AND ADMINISTRATION OF STATE DEPARTMENT

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 1704) to strengthen and improve the organization and administration of the Department of State, and for other purposes, which was, to strike out all after the enacting clause and insert:

That there shall be in the Department of State in addition to the Secretary of State an Under Secretary of State and 10 Assistant Secretaries of State.

Sec. 2. The Secretary of State and the officers referred to in section 1 of this act shall be appointed by the President, by and with the advice and consent of the Senate. The Counselor of the Department of State and the Legal Adviser, who are required to be appointed by the President, by and with the advice and consent of the Senate, shall rank equally with the Assistant Secretaries of State. Any such officer holding office at the time the provisions of this act become effective shall not be required to be reappointed by reason of the enactment of this act. The Secretary may designate two of the Assistant Secretaries as Deputy Under Secretaries.

Sec. 3. The Secretary of State, or such person or persons designated by him, notwith-

standing the provisions of the Foreign Service Act of 1946 (60 Stat. 999) or any other law, except where authority is inherent in or vested in the President of the United States, shall administer, coordinate, and direct the Foreign Service of the United States and the personnel of the State Department. Any provisions in the Foreign Service Act of 1946, or in any other law, vesting authority in the "Assistant Secretary of State for Administration," the "Assistant Secretary of State in Charge of the Administration of the Department," the "Director General," or any other reference with respect thereto, are hereby amended to vest such authority in the Secretary of State.

Sec. 4. The Secretary of State may promulgate such rules and regulations as may be necessary to carry out the functions now or hereafter vested in the Secretary of State or the Department of State, and he may delegate authority to perform any of such functions to officers and employees under his direction and supervision.

Sec. 5. The following statutes or parts of statutes are hereby repealed:

Section 200 of the Revised Statutes, as amended and amplified by the acts authorizing the establishment of additional Assistant Secretaries of State, including section 22 of the act of May 24, 1924 (ch. 182, and the act of December 8, 1944, R. S. 200; 43 Stat. 146; 58 Stat. 798; 5 U. S. C. 152, as amended by Public Law 767, 80th Cong.).

Section 202 of the Foreign Service Act of 1946 (60 Stat. 1000) and any other reference in such act to the "Deputy Director General."

Section 1041 of the Foreign Service Act of 1946 (60 Stat. 1032).

Mr. CONNALLY. Mr. President, I move that the Senate concur in the amendment of the House.

The motion was agreed to.

REORGANIZATION OF GOVERNMENT AGENCIES

Mr. LUCAS. Mr. President, I move that the Senate proceed to the consideration of Senate bill 526, to provide for the reorganization of Government agencies, and for other purposes.

The VICE PRESIDENT. The bill will be stated by title.

The LEGISLATIVE CLERK. Calendar No. 213, a bill (S. 526) to provide for the reorganization of Government agencies, and for other purposes.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. SALTONSTALL. I have heard it stated that Senate bill 526 may be displaced shortly by the agricultural appropriation bill. I should like to ask the Senator from Illinois, the majority leader, if that is a fact; or, if it is not a fact, if he expects to take up the appropriation bill early tomorrow afternoon?

Mr. LUCAS. The bill will not be displaced during this afternoon by the agricultural appropriation bill. Just when the agricultural appropriation bill will be considered I am not able at this moment to say, but it will perhaps be some time during the week.

Mr. SALTONSTALL. But it will not be on short notice tomorrow?

Mr. LUCAS. I do not believe so, because we have another matter on which we must act tomorrow, which is the motion made by the Senator from Rhode Island [Mr. GREEN] to reconsider the vote by which the Senate recommitted the Labor-Federal Security appropria-

tion bill. That motion will be taken up at 12 o'clock tomorrow immediately after the Senate convenes.

Mr. SALTONSTALL. I thank the Senator from Illinois.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Illinois.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 526) to provide for the reorganization of Government agencies, and for other purposes, which has been reported from the Committee on Expenditures in the Executive Departments with amendments.

Mr. HOLLAND. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield.

Mr. HOLLAND. Perhaps it was stated while I was not on the floor, but has there been any announcement made as to when the calendar will be called?

Mr. LUCAS. Let me say to the Senator from Florida that there has been no announcement as to when the calendar will be called, but it will be called sometime during the present week.

Mr. President, I yield the floor.

Mr. McCLELLAN. Mr. President, the Committee on Expenditures in the Executive Departments held considerable hearings and gave very careful study to Senate bill 526 before reporting it favorably to the Senate with certain amendments.

Mr. President, the need for reorganization of the executive branch of the Federal Government, in the interest of economy and efficiency of operation, is recognized and acknowledged by the President, by the Congress, and by the citizens of this Nation. It is essential that the Congress, in the public interest, enact legislation to effectuate the necessary reforms to bring the executive structure into a cohesive and workable organization in attune with modern times.

The pending bill, S. 526, continues a practice previously initiated by the Congress to expedite reorganizations within the executive branch of the Government. The original effort toward reorganization by delegation of authority to the President, and proposed to be continued in the pending bill, was first incorporated in the Economy Act of June 30, 1932. Under that authorization, President Herbert Hoover submitted 11 reorganization plans, which were subject to disapproval by either House of Congress within 60 days after submission. Due to the impending change in administrations, all 11 plans submitted after the general elections in 1932 were rejected by the House of Representatives, then under Democratic control, on the ground that the incoming administration should be permitted to review these proposals and submit its own reorganization program to the Congress.

Amendments to the Economy Act in 1933 granted additional reorganization authority to the President, under broadened powers providing that reorganizations could be effected by Executive Order effective after 60 days unless Congress set aside such plan by the enactment of a new statute. Under this act, 8 principal and 15 subsidiary Executive

orders were issued by President Franklin D. Roosevelt, none of which was set aside by statute within the 60-day period.

In 1939 the Congress passed the first Reorganization Act under which Executive initiation of reorganization plans was authorized, to become effective after 60 days unless disapproved by concurrent resolution of both Houses. Under this act five reorganization plans were submitted by President Roosevelt, none of which was rejected by either House. These plans included the creation of the Federal Security Agency, the Federal Works Agency, the Federal Loan Agency, and the Executive Office of the President. Other transfers and consolidations effected under Plans I and II, submitted by the President and effectuated on July 1, 1939, included the Farm Credit Corporation, the Federal Farm Mortgage Corporation, the Commodity Credit Corporation, and the Rural Electrification Administration to the Department of Agriculture; the Foreign Commerce Service, Foreign Agricultural Service, and the Foreign Service Buildings Commission to the Department of State; the Federal Prison Industry and the National Training School for Boys to the Department of Justice; and the Inland Waterways Corporation to the Department of Commerce.

During the war, Congress made further extensive temporary delegations of legislative authority to the President under the War Powers Act, which reorganizations were subject to further direct legislative action by Congress prior to or after such authority had expired, if they were to be made permanent.

The last Reorganization Act approved by Congress was in 1945, providing for the same procedure as under the 1939 act, that reorganization plans would become effective after 60 days unless disapproved by concurrent resolution by both the House and the Senate. Under this act President Truman submitted seven plans to Congress, three of which were rejected by both Houses and failed to become effective; three were rejected by one House but became law; one was not opposed by either House. This act expired April 1, 1948.

I point out at this time that in both the 1939 and the 1945 acts, which provided that reorganization plans should go into effect within 60 days unless disapproved by concurrent resolutions of both the House and Senate, there were specific exemptions as to a number of agencies of the Government. As I recall, the 1939 act contained 21 specific exemptions, and the 1945 act contained 11 exemptions. The pending bill contains no exemptions.

In July 1947 the Congress approved the bill creating the Commission on Organization of the Executive Branch of the Government, to be composed of 12 members, with appointments to be made on a bipartisan basis by the Speaker of the House, by the President pro tempore of the Senate, and by the President. In creating the Commission, the Congress recognized the urgent need for reorganization studies with a view to effectuating extensive consolidations and unification of overlapping and duplicating

agencies throughout the entire executive branch. The Commission was composed of Members of Congress, representatives from the executive branch of the Government, and from the public in general. Former President Hoover was made Chairman. The Commission, with the aid of a large technical staff, made numerous studies extending over a period of 18 months into all phases of the executive branch of the Government activities. The Commission divided its work into functional and departmental segments, and created 24 task forces composed of about 300 outstanding experts with authority to make complete studies and extensive recommendations. The Commission has submitted 18 separate reports to the Congress, in the following order:

First. General Management of the Executive Branch.

Second. Personnel Management.

Third. Office of General Services—supply activities.

Fourth. The Post Office.

Fifth. Foreign Affairs.

Sixth. Department of Agriculture.

Seventh. Budgeting and Accounting.

Eighth. National Security Organization.

Ninth. Veterans' Affairs.

Tenth. Department of Commerce.

Eleventh. Department of the Treasury.

Twelfth. Regulatory Commissions.

Thirteenth. Department of Labor.

Fourteenth. Department of the Interior.

Fifteenth. Social Security, Education, and Indian Affairs.

Sixteenth. Medical Activities.

Seventeenth. Business Enterprises.

Eighteenth. Part 1, Overseas Administration; Part 2, Federal-State Relations; Part 3, General Research.

All these reports are available to Members of Congress, and contain the recommendations of the Commission on the Reorganization of the Executive Branch of the Government.

On January 13, 1949, the Commission submitted a request to the Congress that reorganization authority be granted to the President, in line with previous reorganization acts, to expedite putting into effect the Commission's recommendations. Emphasis was placed on the importance of limiting exemptions. It was the opinion of the Commission that past experience had clearly shown that unrestricted authority should be given to the President in order to insure the prompt submission of reorganizations recommended by the Commission. It was further pointed out that this procedure, where it could be employed, had proved to be preferable to the ordinary legislative processes requiring initiation of legislation by Congress, committee action, and approval by both Houses of Congress and by the President.

On January 17, the President requested the enactment of a law granting to him unlimited authority to submit reorganization plans to take effect after 60 days, unless disapproved by concurrent resolution of the Congress.

Following the President's message, as chairman of the Committee on Expenditures in the Executive Departments I in-

troduced the pending bill, Senate bill 526, providing for the reorganization authority requested by the President. The Committee on Expenditures in the Executive Departments, to which the bill was referred, held full hearings in a sincere effort to report a bill that would give the President substantially the authority he requested. The pending bill was reported favorably to the Senate on April 7, 1949.

In considering a program for effectuating required reorganizations, it was the consensus of the committee that three primary procedures should be followed:

First. That internal reorganizations affecting administrative procedures could be accomplished either by administrative action or by Executive order within the scope of existing law;

Second. That reorganizations relating to abolishing unnecessary or duplicating agencies, or the transfer or consolidation of existing components or related functions, subject to limitations prescribed by Congress, could be effected under authority granted in the pending bill by reorganization plans, with congressional approval. It is the second procedure that the pending bill undertakes to authorize.

Third. That the Congress should initiate substantive legislation required to effectuate broad reorganization programs involving the transfer and consolidation of agencies or components, and the coordination of existing policies and functions.

Mr. President, a study was made by the Bureau of the Budget of the various reports submitted by the Commission on Organization of the Executive Branch of the Government to determine the action necessary to put into effect the 277 recommendations of the Commission by administrative action, reorganization plan, or legislation, on this general premise. The Bureau of the Budget indicates that 114 specific recommendations or suggested reorganizations by the Commission may be effectuated by administrative action, without any further authority from Congress; that 124 separate recommendations by the Commission could be effectuated either by substantive legislation or direct appropriations to already existing components of the Government; and that 80 such reorganizations could be effectuated by reorganization plan, as proposed in the pending bill. There were a total of 288 Bureau of the Budget determinations as to changes required to conform to the 277 specific recommendations made by the Commission, and a total of 318 specified actions indicated as necessary to implement all the Commission recommendations.

Mr. President, I point out the study which has been made by the Bureau of the Budget, not because all the actions recommended as a result of that study are proposed to be undertaken through the passage of the pending measure, for under this bill only approximately 80 of the reorganizations in accordance with the recommendations of the Bureau of the Budget can be effected. As for many others, specific legislation enacted by the Congress will be required

in order to place into effect the changes recommended by the Commission on Organization of the Executive Branch of the Government.

Mr. LODGE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator from Arkansas yield to the Senator from Massachusetts?

Mr. McCLELLAN. I am glad to yield.

Mr. LODGE. I dislike to interrupt the Senator; if he prefers to yield later on. However, I wish to ask him whether the text of Senate bill 526 is the same as the text of the corresponding House bill, and whether the new matter inserted is additional to the House bill, or whether the entire bill now before us is new language.

Mr. McCLELLAN. The words in italics are new language, being amendments proposed by the Senate committee. The House also has made some amendments or changes in the bill originally introduced in the House. Both the House bill and this bill vary somewhat from the original bills introduced in the respective Houses.

Mr. LODGE. The measure now before the Senate is not the House bill with certain changes proposed by the Senate committee but is the original Senate bill as modified by the committee; is that correct?

Mr. McCLELLAN. That is correct.

Mr. LODGE. I thank the Senator.

Mr. McCLELLAN. Mr. President, a moment ago I stated that a total of 288 Bureau of the Budget determinations as to changes were required in order to conform to the 277 specific recommendations made by the Commission, and that a total of 318 specified actions were indicated as necessary in order to implement all the Commission's recommendations. This is due to an expansion or consolidation of Commission recommendations into two or more necessary actions required to effectuate the entire reorganization proposed. This would mean that existing laws will permit the implementation of almost 40 percent of the Commission recommendations by administrative action, and about 25 percent can be effectuated by reorganization plan, under the pending legislation. Under this determination, from a mini-

mum of 30 percent to a maximum of 40 percent of all the Commission recommendations will require direct legislative action by Congress.

Action has already been taken by the Committee on Expenditures in reporting the Federal Property and Administrative Services Act of 1949, which is Senate bill 1809, in line with the Commission recommendations in Report No. 3 on the Office of General Services, and involving eight substantive legislation recommendations, according to the Budget Bureau Digest.

Reports from other committees indicate that some legislative action will be taken on other recommendations of the Commission before the end of the present session of Congress. I understand that other committees, to whom have been referred some of the Commission's reports or some of the bills proposed for the purpose of carrying out the recommendations contained in the Commission's reports, have already held hearings, and that some of those measures have already been reported and are on the calendar. Others are in process of being handled by certain of the committees, I understand, just as others are in process of being handled by the Committee on Expenditures in the Executive Departments.

There is no purpose or desire on the part of the membership of the Committee on Expenditures in the Executive Departments in any way to delay or obstruct or impede the processing of proposed legislation which the committee feels is desirable, and much of which is recommended for the purpose of carrying out this reorganization plan. I desire to state—and I am sure that all my colleagues will agree—that in undertaking to enact specific legislation with regard to reorganization proposals, it is often a very technical and complicated matter to decide upon the exact language which should be included in the bill in order to have it accomplish the desired result. I know that other members of the committee share that feeling. Certainly we cannot consider this matter simply on a basis of saying whether we favor or oppose it. Meticulous work is required in order that we may present to the Senate a bill which will do in an intelligent way what has been recommended in the Commission's reports.

So I assure my colleagues that the committee of which I have the honor to be chairman is most anxious to consider as expeditiously as we can and report to the Senate a number of legislative proposals which will be required in connection with the Commission's recommendations on subjects over which our committee has jurisdiction; and reports from other committees indicate that some legislative action will be taken on other recommendations. Making no allowance for recommendations which may not meet with the approval of the committees, nor for any reorganization plans that may be disapproved by Congress, and estimating that the President may initiate 25 percent of the Commission's recommendations by reorganization plans if the proposed legislation is adopted without further delay, it will permit the consideration of up to 40 percent of the Commission's recommendations before the adjournment of Congress. Of course, on that point we cannot be accurate; we do not know what may intervene; but it is possible, at least reasonable hope is afforded, that a large part of the reorganization program may receive consideration before this session of the Congress adjourns. With the 35 percent to 40 percent which may be effectuated by administrative action, the over-all percentage might run up to 65 percent or more by the end of the calendar year.

At this point I ask unanimous consent to have printed in the RECORD a chart entitled "Condensed Summary of the Hoover Commission's Reports and Action to be Taken." It is a chart prepared by the Bureau of the Budget, pointing out the number of recommendations of the Hoover Commission, and classifying them, those which can be put into effect without new legislation, the number which it is hoped may be achieved by the authority granted under the pending bill, and initiation by the President of reorganization plans, and the number which will possibly require specific legislation. I ask unanimous consent that it be inserted in the RECORD at this point as a part of my remarks.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

Condensed summary of Hoover Commission reports and action to be taken

Number and title of reports	House Doc. No.	Supporting documents		Total commission recommendations ¹	Bureau of the Budget digest of effectuation					Legislation proposed	Jurisdiction of committees ²
		Appendixes	Type-scripts		Total recommendations ¹	Substitute legislation	Appropriation legislation	Reorganization plan	Administrative action		
1. General Management of Executive Branch.....	55	E.....	4	27	26	8	4	10	12	S. 942.....	EXP.
2. Personnel Management.....	53	A.....		29	33	13	1	2	18	S. 498; S. 1762...	POCS.
3. Office of General Services.....	73	B, C.....	1	25	21	9	1	5	7	S. 1809.....	EXP.
4. The Post Office.....	76	I.....		9	9	6	1		4		POCS.
5. Foreign Affairs.....	79	H.....	5	22	22	7	3		13	S. 1704.....	FR.
6. Department of Agriculture.....	80	M.....		16	11	4		3	6		AF.
7. Budgeting and Accounting.....	84	F, D.....	5	13	14	7	3		7		EXP.
8. National Security Organization.....	86	G.....	3	6	14	4		3	7	S. 1843.....	AS.
9. Veterans' Affairs.....	92		2	12	9	2		1	6		FIN; LPW; BC; POCS.
10. Department of Commerce.....	100	N.....	11	14	17	4	1	11	5		IFC; PW.
11. Treasury Department.....	115	F.....		10	10	4		5	2	S. 1692.....	FIN.

Footnotes at end of table.

Condensed summary of Hoover Commission reports and action to be taken—Continued

Number and title of reports	House Doc. No.	Supporting documents		Total commission recommendations ¹	Bureau of the Budget digest of effectuation					Legislation proposed	Jurisdiction of committees ²
		Appendixes	Type-scripts		Total recommendations ¹	Substitute legislation	Appropriation legislation	Reorganization plan	Administrative action		
12. Regulatory Commissions.....	116	N ³	(³)	12	11	4	-----	6	1	-----	PW; IFC.
13. Department of Labor.....	119	-----	1	8	8	1	-----	5	2	-----	LPW.
14. Department of the Interior.....	122	L, Q.....	1	15	18	1	1	12	6	-----	EXP.; PW; IIA; IFC; AS; JUD.; AF; FR; BC; EXP; LPW; POCS; IIA.
15. Social Security, Education, and Indian Affairs.....	129	P.....	2	17	17	5	-----	4	8	H. R. 782.....	LPW.
16. Medical Activities.....	128	O.....	11	11	10	1	2	4	5	-----	EXP; BC; AF; IFC; IIA; PW.
17. Business Enterprises.....	152	J, R, K.....	5	23	30	20	1	5	4	-----	EXP; FR; AS; IIA.
18. Part 1. Overseas Administration.....	140	-----	1	1	1	1	-----	-----	-----	S. J. Res 41.....	EXP; FIN.
Part 2. Federal-State Relations.....	140	-----	6	5	5	4	-----	-----	1	S. 767; S. 810.....	} LPW; IFC; EXP.
Part 3. Federal Research.....	140	-----	-----	2	2	1	-----	1	-----	S. 247.....	
Total.....	-----	(20)	58	277	288	106	18	80	114	-----	

¹ Because Commission recommendations have been expanded or consolidated in the Budget Bureau Digest, these 2 totals disagree.

² House Committee Print 13 and 14.

³ Filed with Department of Commerce.

⁴ Being printed for use of Subcommittee on Intergovernmental Relations.

⁵ The key to abbreviated committee references is as follows: AF—Committee on Agriculture and Forestry; AS—Committee on Armed Services; BC—Committee on

Banking and Currency; EXP—Committee on Expenditures in the Executive Departments; FIN—Committee on Finance; FR—Committee on Foreign Relations; IIA—Committee on Interior and Insular Affairs; IFC—Committee on Interstate and Foreign Commerce; JUD—Committee on Judiciary; LPW—Committee on Labor and Public Welfare; POCS—Committee on Post Office and Civil Service; PW—Committee on Public Works.

Mr. McCLELLAN. A comparison of the pending bill with the Reorganization Act of 1945 has been incorporated in the committee report, starting on page 6. For the information of the Senate, I shall endeavor to point out very briefly some of the major differences between the pending bill and the Reorganization Act of 1945.

The 1945 act provided for the disapproval of any reorganization plan submitted to the Congress by Concurrent Resolution, requiring concurrence by both the House and Senate before such plans became law; while the present bill permits the disapproval of any plan submitted to the Congress by the President by a simple resolution of either House.

Mr. President, I ask my colleagues to bear in mind another important difference, when I reach it. That is, that the bill reported by the committee, which is now before the Senate, is what may be called a clean bill. There is no exemption in it, there is not an exception. Every agency, every branch, every function of the executive branch of the Government is treated alike, and the President is granted full authority to submit reorganization plans that might affect any agency or any function of the executive branch of the Government.

The pending bill includes provisions which are broader than the 1945 act, through authority granted to top officials of Federal agencies to delegate routine functions vested in them by law, now prohibited from delegation under the present statute.

The Hoover Commission, in its studies of the executive agencies of the Government, found many instances of the law requiring the performance by the head of the agency of a specific act which was not of any vital importance or consequence and which might well be delegated by the head of the agency to some competent subordinate or requiring the performance of a duty which in many instances simply placed an undue burden, was time-consuming on the part of the agency, was unnecessary, and therefore the authority could be delegated. The

pending bill provides for such delegation of authority. At the same time, of course, we still hold the head of the agency responsible for the performance of the duties entrusted to him. The bill does not remove the responsibility of officials from reviewing actions taken, but permits them to transfer or delegate details and functions vested in them by specific provisions of law, which may be more expeditiously handled by minor officials. The pending bill broadens and simplifies language relating to reorganizations and the creation of offices as compared to the 1945 act.

With reference to that, Mr. President, I may say that after experience and observation it was easily found that the language granting general authority could be simplified very much in comparison to the 1945 act, detracting nothing from the powers therein delegated, but extending and embracing all the powers delegated in it. The changes are largely improvements of expression, a matter of language, changes that do not go to the substance of the bill.

The bill also permits the President more latitude in the creation of new agencies, even to the extent of establishing executive departments of Cabinet rank. The President did not have that authority under the 1945 act; he did not have it under the pending bill as originally introduced; but we have broadened his power to the extent that the President may create an agency or declare the head of an existing agency to have Cabinet rank. The provision in the 1945 act which prohibits consolidation of two or more executive departments by a reorganization plan has been retained, however, in accordance with the President's recommendation that the elimination of executive departments shall only be effectuated by statute. While the President is given power to create a new department of Cabinet status, he is not under the act authorized to abolish an existing Cabinet department.

The bill, as reported by the committee, has eliminated the restrictive provisions relating to quasi-judicial and

quasi-legislative functions of independent agencies, and also of certain independent agencies that have been named and that were excluded from the authority delegated in previous reorganization acts. I here make reference again to the fact that in the act passed in 1945, 11 specific exemptions were contained, whereas there are none in the pending bill; and in the 1939 act, my recollection is, there were 21 specific exemptions.

The pending bill also includes the reorganization of the government of the District of Columbia, which has heretofore been excluded from reorganization plans.

Mr. President, I am not an authority on the District of Columbia as to the particular establishment of the District government, but I should assume that in comparison, with respect to size, functions, and expenditures, it is one of the major departments of the Government. If we are to have a bill which absolutely exempts no agency in the executive branch, I think the District of Columbia should be included within the purview of the bill. The committee has so recommended.

The bill passed by the House of Representatives does not grant authority to the President to create a new executive department. The House bill also contains a so-called single-package provision, namely, it provides that a reorganization plan affecting seven named agencies shall not also provide for a reorganization which does not affect such agencies, but permits the transfer to such agencies of the whole or any part of any agency not so named.

At the conclusion of my remarks I shall have something to say in briefly expressing my own views regarding these two basic principles in the bill.

Many amendments were submitted to the committee which would have extended the same treatment to other agencies not named in the House bill. In other words, when our committee undertook to consider the legislation which the House had already passed, having acted hurriedly—I do not mean

to say that it had acted with too much speed, but it acted with more speed than we found convenient in the Senate—it had named seven agencies, quasi-judicial legislative commissions, and so forth, and provided that any reorganization which affected either or all should be contained in a separate plan, and no other agency of Government could be included within it, except with respect to the transfer of a function of another agency of Government to the restricted agency.

When the committee considered that question there were a number of amendments submitted, and it was recommended that the committee stop where the House had stopped, at seven. If the committee had adopted the policy of writing in exemptions, I think probably more than those named in the House bill would have been written.

Former President Hoover was questioned when he appeared before the committee relative to this provision, and specifically regarding the proposal to remove the National Military Establishment from restrictions imposed by this section. He was unalterably opposed to such treatment of single segments of the Government under a general reorganization plan.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. GRAHAM in the chair). Does the Senator from Arkansas yield to his colleague?

Mr. McCLELLAN. I am glad to yield to my colleague.

Mr. FULBRIGHT. I am not quite clear as to the nature of those seven instances. Are they considered exemptions from the operation of the bill? I should like the Senator to clarify that point. I did not quite catch the significance.

Mr. McCLELLAN. I would not classify them as outright exemptions. Those who opposed any restrictions or limitations in the bill have called them exemptions. Properly, I think they are not actual exemptions, but are restrictive to the extent that the President could not act as freely as he could with reference to all other agencies. I say to my colleague that had the Senate committee not decided to report a clean bill, I would have supported a one-package exemption. But I shall come to that a little later. I want to make some comments with reference to it, and I desire to make clear to the Senate why we have reported the bill in this form. It was in the hope that it might be understood that, as in all legislative processes, it is sometimes necessary to give a little and take a little in order to find a happy medium where everyone's rights are protected and their views generally respected. I think we have that kind of a bill before us.

Mr. O'CONOR. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield to the Senator from Maryland.

Mr. O'CONOR. May I ask the very able chairman of the committee, Is it not true that in line with the question just asked by the junior Senator from Arkansas, in the event the House provisions should prevail and remain in the

bill, it would be necessary for the President to send down separate messages in regard to those particular agencies, so that if there were any over-all plans desired for a number of agencies that effort would be thwarted?

Mr. McCLELLAN. The President would have to send down separate plans, under the provisions as I interpret them. I think the Senator is eminently correct. Frankly, I would favor outright exemption procedure rather than a one-package provision, as it has been called, because, I believe, if the House does not want a certain agency disturbed, it should say so, and not give the President any authority to reorganize it. If we are not to go that far, then I should prefer a clean bill with what I regard as ample protection for every agency and everyone's particular theory that this agency ought not to be disturbed, and that agency should be reorganized, because I believe we have reported a bill whose provisions will preserve the integrity of the legislative process. I believe this provision in the bill will help to insure that a better quality of reorganization plans will be submitted to the Congress. That is what we all desire. There is no disagreement, no dissension, regarding the over-all objective which we are seeking. I am sure there would not be a dissenting vote with regard to increasing economy and efficiency.

Mr. O'CONOR. Mr. President, will the Senator yield further?

Mr. McCLELLAN. I yield.

Mr. O'CONOR. Does not the Senator feel, having in mind the interrelationship between and among the various departments, that it is much better to have a clean bill than to have certain so-called exemptions or certain designated agencies which are not treated in the same manner as are a great number of other agencies?

Mr. McCLELLAN. I think the able Senator from Maryland will recall my views as expressed in committee, in our executive session in connection with this bill. I have always favored the exemption of one or two agencies. I still feel that I would rather see them unmolested and not disturbed. But since we have reported this bill, which was, in some measure, a compromise of our views, as to which, with possibly one exception, the full committee agreed, and since there has been an opportunity for more mature reflection, I am convinced that the bill does afford a free opportunity to the President to submit any kind of a reorganization plan which, in his judgment, he thinks the Congress should accept. I am equally convinced that if good plans are submitted, neither House of the Congress will oppose them.

I believe there is a fundamental principle involved in the process of permitting either House to reject a plan, because otherwise we delegate power. That has been done before, but I call attention again to the fact that it has not been done heretofore where there was a clean bill, because in enacting the legislation Congress stepped in and said, "We will give you authority over these agencies, to reorganize, subject to the

disapproval of both Houses, but here are eleven or here are twenty-one which you must not touch." So I say that the more I have considered the provision in the pending bill, with no restrictions and no limitations, the more impressed I have been that this is the fair way, the equitable way, and the proper and effective way, to get the best reorganization plan submitted to the Congress.

Mr. FULBRIGHT. If I understand correctly, it takes affirmative action of a majority of either House to disapprove one of the plans.

Mr. McCLELLAN. My colleague is correct, it takes affirmative action on a vote to disapprove. Neither House is compelled to act on a plan. They can assent to it, they can acquiesce in the plan by negative action, by doing nothing. They must act affirmatively on a resolution of disapproval, and if they act affirmatively, that action must be taken within 60 days. If not taken within 60 days, then the plan will be effective.

I wish to point out to my colleague that that is why I have found it difficult in the past, in connection with the other acts, to go along with the provision which would require a concurrent resolution of the two Houses to disapprove. I know it is sometimes said, "If we are going to get reorganization, we must give the President power to reorganize." But reorganization of itself may not be a worth-while objective. It is the character and the quality of reorganization we get which will determine whether the effort we are making and the program we are undertaking will actually effectuate wholesome and efficient and economical reorganization of the executive branch of the Government.

Let me say to my colleague and to the Senate that I think there are those who know that there are one or two agencies of Government which I should dislike very much to see disturbed, but notwithstanding that, I am going to defend the pending bill as is, I am going to vote against any amendments placing exemptions in the bill, and unless the Senate starts placing exemptions in the bill, so long as it leaves this provision for a one House veto, which I think preserves the integrity of the legislative process, I am going down the line for the bill and vote against any exemptions and let the President have a clean bill and a free hand. At the same time, I say I have had trouble going along with the requirement that two Houses must disapprove to keep a reorganization plan from becoming law, because if we retain that provision, if we retain that procedure for disapproval, we are in effect abdicating the legislative power and duty of at least one House of the legislative branch of the Government, because the action of the President, with the approval, or no action at all, negative approval, of either House of the Congress, could put into effect a reorganization plan which the other House unanimously opposed, and that plan, once in effect, would be tantamount to the enactment of a law.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am happy to yield to the distinguished Senator from Michigan.

Mr. VANDENBERG. As a very junior member of the Senator's committee, but one who has participated in the general plan which the able Senator from Arkansas has been approving today, I wish cordially to join myself to the philosophy of action which he is recommending in the bill. Furthermore, I wish to pay him the compliment which he deserves, because I know how deeply he is attached to the exemption of at least one or two very important departments or agencies of the Government. I know he considers it of primary importance to him and his area that they should be exempted, and when he is willing to surrender the right of exemption at that point in order to have a clean bill, without exemptions, it seems to me that he not only is behaving in a statesmanlike way himself, but that he is setting an example to the rest of us which we will do well to follow.

If the Senator will permit, I should like to add that I am one of those who would very seriously object to the wrong kind of reorganization for one particular instrumentality in which I have had 10 years' interest, namely, the Federal Deposit Insurance Corporation. I am willing to take my chances on a clean bill if we can have a clean bill. I am willing to take my chances on the forum of the House and Senate for the ultimate trial of the justification of a Presidential plan. But if we are not to have a clean bill, I shall find it irresistibly necessary to urge the exemption of the agency in which I am interested, and I strongly suspect that there will be 94 other Senators besides the Senator from Arkansas and the Senator from Michigan who will have the same point of view.

The net result will be a reorganization bill which so totally ties the hands of the President of the United States that he will have, if he desires it, a perfect excuse to do absolutely nothing under the reorganization law. I am not willing to give him that excuse. I do not want to leave the matter in that negative form. On the contrary, I want to give the President every opportunity to make recommendations which can submit themselves to the judgment of the House and Senate.

Mr. President, it seems to me that the recommendation made by the committee is the best possible formula to give reorganization its maximum chance, at long last, to make some progress in demobilizing the executive bureaucracy of the Federal Government.

If the Senator will permit me further to intrude upon his time, I should like to contribute this testimony. The able chairman of the committee knows that before the decision was made by the committee, I took special pains to consult that group on the outside of Congress which is organizing itself in the interest of getting maximum results from the Hoover reports. I submitted to the spokesmen for that group the very frank question, "Which would you rather have, a reorganization bill permitting a veto by each House of Congress, a clean bill

with no exemptions under those circumstances, or would you rather have the two-House veto as originally contemplated by the House bill, and a list of exemptions?" I said, "I don't want any snap answer, either. I want you to spend a day to bring me an answer on which I can rely." At the end of the day the answer was that they felt it was infinitely preferable to have a clean bill, as it has been reported by the committee. I do not mean by that testimony to certify that they are satisfied with this arrangement, because of course they would like to have both of these protections. But since it is perfectly obvious that both protections cannot be provided, I think they are right when they choose the protection which has been recommended by the bill, and which is ably supported by the chairman of the committee, in spite of his personal reluctance in connection with some phases of it. I think the Senate will have made the greatest possible contribution to the progress of reorganization under the Hoover reports if it agrees with the able Senator from Arkansas and proceeds to take the bill as he has presented it to the Senate.

Mr. McCLELLAN. Mr. President, I wish to thank the distinguished Senator from Michigan, who is now a member of the committee. He became a member of the committee only this year. I express my personal appreciation to him for the valuable contribution he made in helping us prepare the bill. As I stated earlier this afternoon, legislation of this character is not easy to agree upon. The Senator from Michigan made a very valuable contribution all the way through in the consideration of the measure. I agree with what the Senator from Michigan has said. If we put enough exemptions and restrictions in the bill we can give the President a reorganization bill but leave him nothing to reorganize. If the Senator from Michigan and I should insist that this agency or that agency, in which we are interested, should be exempted from the provisions of the bill, and, as the able Senator from Michigan suggested, if the 94 other Senators should insist on exempting agencies in which they are interested, as they probably would if they have the same feeling about other agencies that I have about one or two I have in mind, and concessions were made respecting them, the result would be we might pass a so-called reorganization bill, but have nothing to reorganize.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. LODGE. I should like to compliment the Senator for the manly way in which he has approached this matter, because I realize that there are agencies of the Government in which he is profoundly interested. I agree with him and I agree with the Senator from Michigan that it is a great step forward if we can put this bill onto the statute books. I think the Senator knows of my strong interest in the whole subject.

The thing which preoccupies me is what is going to be the fate of this legislation when it goes to conference. How optimistic is the Senator from Arkansas

on that point, and can he give us a few words of assurance as to his general approach to that topic?

Mr. McCLELLAN. Mr. President, I will say to the able Senator from Massachusetts that, of course, I cannot predict whether the House conferees are going to agree with us or not. But to the Senator from Massachusetts and to the whole membership of the Senate I say that when the bill is passed I shall have no intention, as a conferee, if I am one of the conferees on the part of the Senate, of yielding on either of these basic points. We might just as well settle that question, and I want the Members of the Senate to know now that I, as a conferee on the part of the Senate, am not going to yield on either of these basic points. I think that needs to be known, and I believe the Senate should vote on the bill with that understanding. I think it would be manifestly unfair for me not to take that position. I do not say that, of course, with any disregard for the views the other House may entertain, but we are endeavoring to pass through the Senate a clean bill, and if we cannot keep it clean, then we will have, so far as I am concerned, to try to pass another bill.

Mr. LODGE. I think that is a very forthright statement. It is the kind I would expect the Senator from Arkansas to make. I think it is most helpful and reassuring to have those good words in the RECORD.

Mr. McCLELLAN. That is very much the way I feel about it. There are other members of the committee present, and I know some of them share those views.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. LUCAS. In previous reorganization bills different agencies of Government have always been exempted, both by the House and by the Senate. Is that not correct?

Mr. McCLELLAN. That is correct.

Mr. LUCAS. Am I correct in saying that this is the first time that either branch of the Congress has ever come forth with a clean bill wherein no agency of the Government is exempted, and giving the President full power to reorganize?

Mr. McCLELLAN. That is correct with respect to the three major reorganization bills of this character which have been enacted into law in the past. Of course, in the War Powers Act and in the Economy Act there were probably no exemptions. That, however, I do not recall.

Mr. LUCAS. Mr. President, will the Senator again yield?

Mr. McCLELLAN. I yield.

Mr. LUCAS. In reading the committee report I find that the House has exempted from the bill the National Military Establishment, the Board of Governors, Federal Reserve System, the Interstate Commerce Commission and Securities and Exchange Commission.

Mr. McCLELLAN. That was what the committee reported to the floor of the House. Three other agencies were added on the floor of the House. The bill was further amended, as the Senator will

see if he reads further along in the report.

Mr. LUCAS. That is what I was coming to next. In addition to the agencies the committee exempted when submitting the report to the floor of the House, three other agencies were exempted on the floor, making in all seven agencies which the House exempted. With respect to the query propounded by the Senator from Massachusetts about what may happen in conference, I do not know what will happen there, and neither does the Senator from Arkansas, of course; but, assuming that the conferees on the part of the House might recede with respect to these agencies and agree with the Senate that no agencies shall be exempt, would that make any difference with respect to the other point the Senator is now stressing with respect to the veto by each branch of the Congress?

Mr. McCLELLAN. Very much so, because I want to keep faith with myself and with every Member of this body. I could not vote for the bill with some exemptions in it if the two-House veto should be retained. I want the Senate to know and understand just how I personally feel about the matter. I say again with reference to the remarks made by the able Senator from Michigan that I feel in bringing forth the bill in the form in which it now is, I have made as much sacrifice as I am asking any other Senator to make in voting for the bill.

Mr. LUCAS. I am sure I understand the able Senator, but I desire to make the matter perfectly clear. In other words, if the House were to recede from the provisions that are now in the House bill with respect to the exemptions contained in it, and have no exemptions whatever in the bill, and if the House should agree to the provisions of the Senate bill, would the Senator from Arkansas under those conditions still insist on a separate veto by each House?

Mr. McCLELLAN. Yes. I would insist because I could not support the bill with exemptions out of it, if it required action on the part of both Houses to disapprove by concurrent resolutions.

Mr. O'CONOR. Mr. President, will the Senator from Arkansas yield to me so that I may ask a question of the Senator from Michigan, whose comment I heard a short while ago?

Mr. McCLELLAN. I yield.

Mr. O'CONOR. Does not the Senator from Michigan feel that with the bill modified as it is our committee has virtually accomplished all that reasonably could be expected, and that looking at the situation realistically it is the best way in which to effect an over-all reorganization program? Does not the Senator so feel?

Mr. VANDENBERG. That is my opinion. I want to make it very plain that I think we are not free agents to write this reorganization formula without any limitations whatever. It is simply not in the cards to write that sort of a bill. We confront this choice of a bill which is a clean bill without agency exemptions, and a one-House veto, or a bill with a two-House veto and a list of exemptions as long as one's arm.

Now, if the reorganization plans cannot justify themselves when submitted by the President in both Houses of Congress, then the presumption is, I should say, under the American legislative precedent and system, that the reorganization recommendations are not worthy of approval. That is the basis upon which we write laws. I have never heard of a system under which the House alone could enact a law. That is precisely what would be undertaken in reverse, except as the single-House veto as provided in the Senate recommendation were to be followed.

As a matter of elementary justice, let us see what is involved. The Senator from Arkansas says that when he submits a clean bill he is giving up the right to demand an exemption which is of extreme importance to him and the people of his State. Could we possibly ask the Senator from Arkansas to give up an exemption which is of extreme importance to him and to the people of his State if, on the other hand, we leave the bill in a form in which the Senator from Arkansas might never even have an opportunity to vote upon a recommendation which he considers of such importance? I think that not only is this a sound choice from the standpoint of choosing the better of the relative opportunities which we confront, but, regardless of that relationship, I think fundamentally it is sound for the precise reason which I have indicated.

I wish to make it as clear as I can that I share with the able Senator from Massachusetts [Mr. LODGE] all his hopes and aspirations for this undertaking, for which he was originally responsible in part through his authorship of the original resolution. I want the Hoover reports to have their maximum opportunity for effective consideration and effective application. Under the economic pressure of the times, when the great Federal bureaucracy has grown, like Topsy, into a thing of utter economic menace to the taxpayers of the United States, I believe the time has come when we must take advantage of this opportunity to undertake to streamline the executive branch of the Government. I think every rational mind in the Senate is dedicated to that objective. I think 95 percent of the American people are dedicated to that objective. I want the Senate to answer those objectives and aspirations to the maximum. In my opinion, we answer them to the maximum when we accept the committee report, because we have given the President carte blanche, without reservation or exemption, to make any recommendations he desires. We simply stand upon our ultimate legislative right to pass judgment in both Houses of Congress on the wisdom of what he proposes. That is the American system. That is the best way to get results from reorganization.

Mr. O'CONOR. Mr. President, I appreciate very much the sentiments of the Senator from Michigan. I fully agree with them.

Mr. McCLELLAN. Mr. President, since the committee reported the bill I have said that I am more impressed with

the bill now than I was before. Notwithstanding the fact that there are some agencies which I would not want to see disturbed, if a reorganization plan is submitted which does disturb them, if both Houses agree that they should be disturbed, perhaps I am mistaken. We all must submit to the will of the majority in connection with questions which do not actually reach down into and undertake to uproot a fundamental principle of liberty or of constitutional processes. Certainly this is not such a question. It is a matter of opinion whether a particular function can be better performed by one agency than by another. That question does not involve a basic fundamental of government. If it did, I would have no hesitancy, as many Senators know, in resorting to what might be termed "dilatatory tactics" to delay a vote on something which I thought struck at one of the fundamental principles of democracy and liberty. But if a majority of both the House and Senate agrees with what the President has recommended in a reorganization plan, I think it should go into effect. However, I do not believe that any reorganization plan which is, in effect, tantamount to law, should ever go into operation with the approval of one House of the Congress and the disapproval of the other. That would be striking at one of the basic fundamentals of legislative integrity. Fortunately, nothing has happened under the other two acts to cause alarm, but we are passing this bill in the hope that there may be the greatest, most concerted effort toward reorganizing the executive branch of the Government, and that a thorough job will be done.

Mr. President, I am not too optimistic about immediate economies being effected. The economies to be effected will be the result of a better and more orderly arrangement, better management arrangements and better house-keeping arrangements of the executive branch of the Government. I entertain high hopes for such results. In such a reorganization related functions will be brought together. There will be a better arrangement of the various interrelated functions, and they will be integrated in their operating effect. In that way I believe that economies can be effected in the future.

Mr. THYE. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. THYE. As a former member of the committee, I commend the able Senator from Arkansas, chairman of the committee, and the other members of the committee for reporting such a fine bill to the Senate. A Reorganization Act is a most important and necessary step in our Government.

A year ago when the able Senator from Massachusetts [Mr. LODGE] presented his ideas for reorganization, which developed into the creation of the Hoover Commission, I was most encouraged. I am even more encouraged now, as a former member of the committee, by the fine presentation which the Senator from Arkansas has made as chairman of the committee.

Mr. McCLELLAN. I thank the Senator very much.

Mr. President, I am about to conclude. I do not wish to ask for undue haste, but I am hopeful that we can conclude consideration of the bill this afternoon.

I believe that it is unnecessary for me to proceed with the remainder of my prepared remarks. If I may have unanimous consent that the remainder of my prepared address be inserted in the RECORD at this point as a part of my remarks, I shall not take further time in discussing the measure.

There being no objection, the additional statement was ordered to be printed in the RECORD, as follows:

The House bill continues reorganization authority indefinitely, without time limitation. Specific expiration dates were included in previous acts. An amendment was approved by the committee which continues authority under the pending bill until April 1, 1953. It was the opinion of the committee that Congress should retain some control by which periodical examinations could be made relative to the effectiveness of the reorganization authority and accomplishments attained under its operation, with a view to extending or revising the act as may be found desirable, based on performance and experience. The bill as now proposed would extend more than 2 months into the incoming term of the next administration, permitting the submission of reorganization plans to Congress during the 60-day period following April 1, 1953, and plans submitted under the act to become effective within that period if not disapproved by the House or the Senate.

In adopting the amendment providing for a simple resolution of disapproval by either House, the committee's main objective was to provide the President with as broad reorganization authority as he would require in making any desirable reorganizations without regard to the agencies affected. The committee was sympathetic to suggested amendments submitted by Senators, some of which were included in the bill as passed by the House, relating to special treatment of certain regulatory, quasi-judicial, and quasi-legislative agencies, as recommended by the Commission on Organization of the Executive Branch, if the original provision requiring disapproval by both Houses of Congress by concurrent resolution had been retained in the bill. Realizing these exemptions would open the door to the inclusion of at least a dozen or more such agencies, the committee, in the interest of promoting more expeditious action, and with a view to permitting the President to exercise full reorganization powers, granted him authority to submit any reorganization plan he deems advisable.

In order to permit clear determinations by Congress on specific reorganization proposals, however, an amendment was included in the bill which declares it to be the intent of Congress that it is in the public interest and in accordance with the most effective reorganization procedure that each reorganization plan transmitted by the President shall contain only related reorganizations. The purpose of this amendment is to enable the Congress to act on the merits of reorganization proposals of related agencies without the interjection of some proposal with little or no relation to the major plan involved.

During the hearings it became apparent that if any exemptions or special treatment in the way of so-called one package reorganization-plan restriction were included, many agencies might finally be placed in this category. It was the opinion of the committee that, under these circumstances, it would be far preferable to extend full authority to the President to recommend any

desirable reorganization regardless of the agency or function affected, and reserved to both the House and the Senate the right of disapproval by simple resolution.

Some who favor disapproval by the concurrent resolution procedure contend that this no improvement over the existing legislative process. This is not in accord with the facts. Under the pending bill the President has a free hand to initiate any reorganization plan affecting agencies with related functions and within statutory limitations, extending even to the creation of a new executive department with Cabinet status. This is a clear delegation of authority by the Congress to the President over the initiation of legislative actions exclusively reserved to the legislative branch under the Constitution. The bill also provides that when such plans are submitted to Congress, a resolution of disapproval must be passed by either the House or the Senate within 60 days after its submission, or it automatically becomes law.

The President on May 9 again requested prompt Senate action on the Reorganization Act, and, as a member of the Commission on Organization of the Executive Branch, I join in urging Senate approval of the pending bill in the interest of effecting necessary reorganizations in the Government with the least possible delay.

Mr. McCLELLAN. Mr. President, in conclusion I wish to say that if this proposed legislation is to be enacted in time for the President to submit to the Congress reorganization plans which can be acted upon at this session, the passage of this bill should not be delayed, for consideration of the bill in conference will take at least some time. So I am very hopeful that this afternoon we shall be able to pass the bill, together with the amendments which have been discussed, and which the committee has recommended; that then the conferees may be able speedily to agree; and that the bill will become law in time to give the President an opportunity to send to the Congress reorganization plans which can be considered and acted upon at this session.

Mr. LODGE. Mr. President, am I correct in my belief that the first question is on the adoption of the committee amendments?

The PRESIDING OFFICER (Mr. HOLLAND in the chair). That is correct; and the clerk will state the first amendment of the committee.

The first amendment of the committee was, on page 3, in line 3, after the word "legislation", to insert: "The Congress further declares that it is in the public interest and in accordance with the most effective reorganization procedure that each reorganization plan transmitted by the President under section 3 contain only related reorganizations."

The amendment was agreed to.

The next amendment was, under the subhead "Other contents of plans," on page 5, in line 18, after the word "Senate", to insert "except that, in the case of any officer of the municipal government of the District of Columbia, it may be by the Board of Commissioners or other body or officer of such government designated in the plan."

The amendment was agreed to.

The next amendment was, on page 6, in line 12, after the word "for", to strike out "winding up" and insert "terminating."

The amendment was agreed to.

The next amendment was, under the subhead "Limitations on powers with respect to reorganizations," on page 6, at the beginning of line 16, after the section number, to insert "(a)."

The amendment was agreed to.

The next amendment was, on page 7, after line 14, to insert:

(b) No provision contained in a reorganization plan shall take effect unless the plan is transmitted to the Congress before April 1, 1953.

The amendment was agreed to.

The next amendments were, under the subhead "Taking effect of reorganizations," on page 8, in line 1, after the word "by", to insert "either of"; in the same line, after the word "a", to strike out "concurrent"; and in line 2, after the word "that", to strike out "the Congress" and insert "that House."

The amendments were agreed to.

The next amendment was, on page 8, in line 11, after the word "certain", to strike out the semicolon and "except that if a resolution (as defined in section 202) with respect to such reorganization plan has been passed by one House and sent to the other, no exclusion under this paragraph shall be made by reason of adjournments of the first House taken thereafter."

The amendment was agreed to.

The next amendment was, under the heading "Title II," on page 11, after line 18, to strike out section 202, as follows:

SEC. 202. As used in this title, the term "resolution" means only a concurrent resolution of the two Houses of Congress, the matter after the resolving clause of which is as follows: "That the Congress does not favor the reorganization plan numbered — transmitted to Congress by the President on —, 19—," the blank spaces therein being appropriately filled; and does not include a concurrent resolution which specifies more than one reorganization plan.

And in lieu thereof to insert a new section 202, as follows:

SEC. 202. As used in this title, the term "resolution" means only a resolution of either of the two Houses of Congress, the matter after the resolving clause of which is as follows: "That the — does not favor the reorganization plan numbered — transmitted to Congress by the President on —, 19—," the first blank space therein being filled with the name of the resolving House and the other blank spaces therein being appropriately filled; and does not include a resolution which specifies more than one reorganization plan.

The amendment was agreed to.

The next amendment was, on page 12, in line 21, after the word "introduction", to strike out "(or, in the case of a resolution received from the other House, 10 calendar days after its receipt)."

The amendment was agreed to.

The next amendment was, on page 14, after line 20, to strike out:

SEC. 207. If, prior to the passage by one House of a resolution of that House with respect to a reorganization plan, such House receives from the other House a resolution with respect to the same plan, then—

(a) If no resolution of the first House with respect to such plan has been referred to committee, no other resolution with respect to the same plan may be reported or (despite the provisions of section 204 (a)) be made the subject of a motion to discharge.

(b) If a resolution of the first House with respect to such plan has been referred to committee—

(1) the procedure with respect to that or other resolutions of such House with respect to such plan which have been referred to committee shall be the same as if no resolution from the other House with respect to such plan had been received; but

(2) on any vote on final passage of a resolution of the first House with respect to such plan the resolution from the other House with respect to such plan shall be automatically substituted for the resolution of the first House.

The amendment was agreed to.

The PRESIDING OFFICER. That concludes the committee amendments.

The bill is open to further amendment.

Mr. BYRD. Mr. President, I have an amendment at the desk, and I offer it and ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 4, in line 18, it is proposed to strike out the period and insert a comma and the following: "and shall specify the reduction of expenditures (itemized so far as practicable) which it is probable will be brought about by the taking effect of the reorganizations included in the plan."

Mr. BYRD. Mr. President, the purpose of the amendment is to require the President to submit to the Congress estimates of the savings which it is anticipated will result from the reorganization plan he sends to Congress; and the amendment would have such estimates of savings submitted by the President to the Congress at the time when the plan is sent to Congress.

I cannot imagine that there will be any objection to the amendment, for one of the main purposes of the bill is to reduce governmental expenditures. I think the Congress should have the information referred to in the amendment presented to it at the time when the plans come to the Congress for action.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Virginia [Mr. BYRD].

Mr. McCLELLAN. Mr. President, I cannot speak for the entire committee, for I do not believe this amendment was presented to the committee. However, I wish to say that, so far as I am concerned, I have no objection to the amendment. Frankly, I shall be very glad to have furnished, along with each reorganization plan, some statement or some figures in regard to the economies which will result from the proposed plan.

Unless there is some objection by some other Member of the Senate, certainly I have no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from Virginia.

The amendment was agreed to.

The PRESIDING OFFICER. Are there further amendments to be proposed?

Mr. McCLELLAN. Mr. President, inasmuch as we progressed this far in the consideration of the bill, it seems to me that before a final vote is taken on it, a quorum call should be had, in case other Senators have amendments which they

wish to propose. Some Senators have gone to their offices, thinking that the consideration of this bill would take some time. Of course I wish to be fair to all Senators, and therefore I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hill	Miller
Butler	Hoey	Millikin
Byrd	Holland	Morse
Cain	Humphrey	Mundt
Capehart	Ives	Murray
Chavez	Johnson, Colo.	Myers
Connally	Johnson, Tex.	Neely
Cordon	Johnston, S. C.	O'Connor
Donnell	Kerr	Reed
Douglas	Kilgore	Robertson
Ecton	Lodge	Russell
Ellender	Lucas	Saltonstall
Frear	McCarthy	Schoeppel
Fulbright	McClellan	Smith, Maine
George	McFarland	Sparkman
Graham	McGrath	Thye
Green	McKellar	Vandenberg
Gurney	Malone	Williams
Hayden	Martin	

By order of the Senate, the following announcement is made after each quorum call:

The members of the Committee on Foreign Relations have been granted permission to be absent from the sessions of the Senate while the Committee on Foreign Relations is conducting hearings on the North Atlantic Pact.

The PRESIDING OFFICER. A quorum is present.

Mr. FERGUSON subsequently said: Mr. President, I ask unanimous consent to place in the RECORD following the last quorum call a statement that the Senator from Nevada [Mr. McCARRAN], the Senator from North Dakota [Mr. LANGER], the Senator from Wisconsin [Mr. WILEY], and the junior Senator from Michigan [Mr. FERGUSON] were attending an open hearing of the Judiciary Committee at the time of the quorum call, and therefore were not able to answer to their names, when called, because it was necessary for us to conclude hearing a witness who had to leave town immediately upon the conclusion of his testimony.

The PRESIDING OFFICER. Without objection, the statement will be placed at the point indicated in the RECORD.

The bill is open to further amendment.

Mr. LODGE. Mr. President, I believe this is the first over-all reorganization of the Government ever presented to the Congress. I believe that this reorganization of the executive branch can be the most far-reaching effort at Government economy ever attempted. I invite attention to the fact that the salient reason for the downfall of popular government in the Old World is that government there was no longer able to translate into action the aims and aspirations of the people because it has become so inefficient. I believe, if we are to keep our system of popular government, that we must keep it an efficient government so that the people will have confidence in it. This bill represents compromises on the part of everyone concerned, but it does make possible real progress toward economical and efficient government and I hope it shall pass.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

Mr. O'CONOR. Mr. President, I wish to subscribe wholeheartedly to the statement just made by the Senator from Massachusetts. As has been said by the chairman of the committee, this far-reaching measure will do more, possibly, than will any other bill passed by the Congress to effectuate governmental reorganization. Every safeguard has been thrown about the bill to insure proper congressional consideration. I am firmly of the belief that it is a step toward the greatest efficiency in government, and I trust the bill will have the overwhelming support of the membership of the Senate.

Mr. McCLELLAN. Mr. President, I move that the Committee on Expenditures in the Executive Departments, considering House bill 2361, to provide for the reorganization of Government agencies and for other purposes, which is a companion bill to the bill now pending in the Senate, be discharged from further consideration of that bill.

Mr. SALTONSTALL. Mr. President, I inquire, is that the reorganization bill?

Mr. McCLELLAN. It is the House version of the reorganization bill. The purpose of proceeding in this way is to get it into conference.

The PRESIDING OFFICER. The question is on the motion of the Senator from Arkansas.

The motion was agreed to.

Mr. McCLELLAN. I now move that the Senate proceed to the consideration of the House bill 2361.

The motion was agreed to; and the Senate proceeded to the consideration of the bill (H. R. 2361) to provide for the reorganization of Government agencies, and for other purposes.

Mr. McCLELLAN. I move that all after the enacting clause of the House bill be stricken out and that Senate bill 526, as amended, be substituted therefor.

The motion was agreed to.

Mr. MCCARTHY. Mr. President, I should like to have 2 minutes in which to perform a very pleasant duty, namely, to express, as the ranking Republican member of the committee—and I think I speak for the entire membership of the committee—the admiration I have for the excellent work which the chairman of the committee has done on this bill. He deserves the gratitude not only of the Members of the Senate, but of the entire Nation, for doing such an outstanding job.

Mr. LUCAS. Mr. President, I also wish to compliment the Senator from Arkansas. I know of no bill since I have been majority leader which has received such prompt action as has the reorganization bill. I assure the Senators of my deep appreciation of the efforts in connection with this extremely important bill and the unanimity of thought which has prevailed with reference to it.

Mr. McCLELLAN. Mr. President, I thank the majority leader and also the Senator from Wisconsin.

The PRESIDING OFFICER. The question is on the engrossment of the

amendment and the third reading of House bill 2361.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

Mr. McCLELLAN. I move that the Senate insist on its amendment, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. McCLELLAN, Mr. EASTLAND, Mr. HOEY, Mr. McCARTHY, and Mr. IVES conferees on the part of the Senate.

The PRESIDING OFFICER. Without objection, Senate bill 526 is indefinitely postponed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 460. An act to authorize the Administrator of Veterans' Affairs to reconvey to the Helena Chamber of Commerce certain described parcels of land situated in the city of Helena, Mont.;

S. 461. An act to clarify the provisions of section 602 (u) of the National Service Life Insurance Act of 1940, as amended;

S. 812. An act to protect scenic values along Oak Creek Canyon and certain tributaries thereof within the Coconino National Forest, Ariz.; and

S. 1185. An act to provide that all employees of the Veterans' Canteen Service shall be paid from funds of the Service, and for other purposes.

The message also announced that the House had insisted upon its amendment to the bill (S. 900) to amend the Commodity Credit Corporation Act, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SPENCE, Mr. BROWN of Georgia, Mr. PATMAN, Mr. MONROEY, Mr. WOLCOTT, Mr. GAMBLE, and Mr. KUNKEL were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H. R. 3762) to amend title 18, entitled "Crimes and Criminal Procedure," and title 28, entitled "Judiciary and Judicial Procedure," of the United States Code, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2632) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes, and that the House had receded from its disagreement to the amendments of the Senate numbered 1, 2, 5, 6, 12, 13, 14, 15, 16, 17, 21, 27, 36, 47, and 66 to the bill, and concurred therein.

FIRST DEFICIENCY APPROPRIATIONS, 1949—CONFERENCE REPORT

Mr. McKELLAR. Mr. President, I submit a conference report on House bill

2632, the first deficiency appropriation bill, 1949, and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The clerk will read the report.

The Chief Clerk read the report.

(For conference report, see House proceedings of today's RECORD on pp. 6361-6362.)

The PRESIDING OFFICER. Is there objection to consideration of the conference report at this time?

Mr. SALTONSTALL. Mr. President, may I ask whether it is a unanimous report of the conference committee?

Mr. McKELLAR. It is a unanimous report.

Mr. SALTONSTALL. Is the chairman of the committee entirely in favor of it?

Mr. McKELLAR. Indeed he is, or he would not present it.

Mr. CORDON. Mr. President, I should like to ask the Senator from Tennessee to give us a general idea of the basis of the report.

Mr. McKELLAR. As the Senator will recall, there were three controversies involved. One was whether the White House should be rebuilt or repaired. Another controversy was in connection with the Boke-Straus matter, and the third was with reference to the Navajo Indian school item. There was unanimous agreement on the part of the conferees of both Houses.

The White House matter is stricken from the bill and will be up for consideration in the second deficiency bill.

With reference to the Boke-Straus question, the House conferees receded with reference to that, as the Senator will recall.

The House also receded on the Navajo school item.

Mr. CORDON. I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the report was considered and agreed to.

EXTENSION OF RECIPROCAL TRADE AGREEMENTS ACT

Mr. LUCAS. Mr. President, on March 11 the distinguished chairman of the Finance Committee reported a bill to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes. I move that the Senate proceed to the consideration of House bill 1211, which is known as the Reciprocal Trade Agreements Act.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 1211) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

Mr. SALTONSTALL. Mr. President, I inquire if it is the intention of the majority leader to ask that the reciprocal trade agreements bill be laid aside temporarily in order that the Senate may proceed tomorrow with the motion for reconsideration made by the Senator from Rhode Island [Mr. GREEN]?

Mr. LUCAS. The Senator from Massachusetts is correct in his assumption. We have an agreement that tomorrow, immediately following the convening of the Senate, the motion made by the Senator from Rhode Island [Mr. GREEN] to

reconsider the vote by which the Labor-Federal Security appropriation bill was recommitted shall be taken up.

Mr. SALTONSTALL. May I ask also whether the Senator can tell us what the intention is concerning the agricultural appropriation bill?

Mr. RUSSELL. Mr. President, if the Senator from Illinois will permit me, I may say that I have discussed that matter with my colleague, the senior Senator from Georgia, and, if it conforms with the wishes and plans of the majority leader, I should like to have the Senate proceed with the consideration of the agricultural appropriation bill at the conclusion of the action of the Senate on the motion to reconsider the recommitment of the Labor-Federal Security appropriation bill.

Mr. SALTONSTALL. I thank the Senator. May I ask whether that is the understanding of the majority leader?

Mr. RUSSELL. If it meets with the plans of the majority leader, I hope to have the agricultural bill taken up at that time.

Mr. LUCAS. The suggestion made by the able Senator from Georgia meets with my approval, and following disposal of the motion to reconsider made by the Senator from Rhode Island [Mr. GREEN], the Senate will proceed to the consideration of the agricultural appropriations bill.

Mr. RUSSELL. I thank the Senator.

Mr. MILLIKIN. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield to the Senator from Colorado.

Mr. MILLIKIN. Are there any other measures which might be brought up before the Senate begins the active consideration of the reciprocal trade agreements bill?

Mr. LUCAS. There is a possibility that the civil functions appropriations bill may be considered. It will depend on the attitude of the distinguished senior Senator from Georgia, chairman of the Committee on Finance, who will be in charge of the reciprocal trade agreements bill.

SHIPPING STRIKE IN HAWAII

Mr. MORSE. Mr. President, I wish to discuss very briefly two matters for the RECORD. I desire to call attention to the fact that at the present time there is a very serious shipping strike occurring in Hawaii. I do not purport to speak with any authority in regard to the merits of the positions taken by the two parties to the strike. But I do wish to point out that this strike is another example showing the need for the Eighty-first Congress, in this session, passing some labor legislation which will be fair to all parties concerned, including the public. We need legislation which will provide workable machinery in the field of emergency disputes, and which will help at least to avoid or quickly settle the type of dispute now raging in Hawaii.

Mr. President, approximately 2,000 longshoremen, members of the International Longshoremen's and Warehousemen's Union, have been on strike in Hawaii ports since May 1. The strike resulted, I understand, from the collapse of negotiations for a wage increase de-

hospital. A diagnosis of early carcinoma of the stomach is made and confirmed. The patient is advised to have an operation, to which he agrees, and he is put on the waiting list for admission. Presumably the consultant has entered into a contract with the patient and his doctor to carry out the treatment. The patient is not admitted for 6 or even 12 months, and the growth becomes inoperable."

The legal obligations involved are not such; the Journal's expert is said to have advised that any liability results, since "neither the consultant nor the hospital is required to do the impossible." But the patient, it must be assumed, died without the benefit of the surgery which might have saved his life. Perhaps such a case could occur in this country, but the odds are against it. American hospitals, voluntary and tax-supported together, rendered in 1947, 444,288,585 days of patient care, and handled in addition at low or no charge over 40,000,000 out-patient calls, where dangerous conditions calling for further treatment, including surgery, can be caught in time. In this country if a bed is needed for a serious case, the bed is there. This does not appear to be so under the highly socialized British system. So much for government control.

Still, there is something to be said for the National Health Service, compelled, both by the excessive and unnecessary demands which free service always produces and by the same inadequacy of facilities which, under similar handicaps, would certainly appear in this country, to let a cancer patient die when he might have been saved. It has recently been announced that the Ministry of Health, no doubt after consulting both its financial situation and the demands of the public, is issuing an average of 200 utility toupees weekly, at a cost of \$40 each. To meet this demand for the toupee as an indispensable health adjunct, 23 wig makers, participating gleefully in the scheme, are working night and day, with an estimated total potential production of approximately 100,000 wigs. That is \$4,000,000; and another \$400,000 out of the apparently unlimited resources of the national health account (if not unlimited, why this absurdity?) will be devoted to the cost of cleaning wigs for those beneficiaries fortunate enough to have two, since one of these may be cleaned and dressed at government expense every 2 months. Wigs are supplied by the Health Ministry in all sizes and colors, and women are offered five different models.

But people wait until they die for hospital beds, and this, too, is government medicine.

And in New Zealand

In this small and highly-socialized country, with a homogeneous population (except for the remaining native Maoris) which it might be supposed would have a fair chance of avoiding the major difficulties of placing all medical care under Government control, 7 years of experience have shown once more that there are no exceptions to the rule of increased cost due to excessive use of all facilities, and decreasing standards of care. So serious, in fact, have these and related defects in the system become that the Government and the medical profession are earnestly attempting to arrive at some practical revision of the program. Meanwhile, the major problem facing Government and people is indicated by the single simple fact that the tax bill for medical services rose from less than \$8,000,000 in 1942 to over \$20,000,000 in 1947. The cost of drugs rose from \$2,000,000 in 1943 to over \$4,000,000 in 1947. Thus the medical-care program contributes a growing share of the social-security budget, which is now one-third of the national budget, and therefore of the total tax load.

Moreover, while reports indicate that many doctors, and not by any means the best or the leaders of the profession, were earning

fantastic incomes by vigorous exploitation of the system, both the profession as a whole and the public have found it unsatisfactory. A striking omission from it, also, is that even the excessive cost being experienced does not cover the cost of major surgery, the most serious burden to the average citizen, and the one which he is typically most anxious to cover through some form of insurance. Medical care, hospitalization, and drugs are the items covered.

A chief complaint in New Zealand is related to the fact that while all may resort to the doctor at will, with most (but not all) of the cost covered out of the insurance fund, there is no way of making the doctor stay in his office on holidays, week ends, and at night. This is attributed in part to the fact that there is no incentive for the doctor to work harder or longer because of his own income taxes, as well as to the amount of work forced upon him during the week. The demand for medical services tripled from 1941, when the system was put in force, to 1945, while many doctors were still with the armed forces, and there were not enough at home to meet the demand. When the war was over, with the demand for care still rising, the costs rose to the serious level referred to. Whether the Government will find a solution satisfactory to its financial advisers as well as to the public and the medical and dental professions remains to be seen. Suggestions from the Government to the doctors, in a semiconfidential vein as contrasted with its promises to the public, of reduced care, were properly rejected by the doctors. Recall Mr. Bevin's peevish comment about excessive use of expensive drugs in Great Britain. These systems seem to work the same way everywhere. That is to say, they produce excessive use, a correspondingly serious and unwarranted drain on contributors and the Government finances, and unsatisfactory service.

The present American system shines brightly by comparison with anything they have or have ever had in medical care in Germany, in Great Britain, or in New Zealand.

THE COST OF A FEDERAL SYSTEM

There is literally no way of finding out what the proposed compulsory Federal system for the care of individual health would cost, especially when the inevitable tendency toward excessive demands on the free services promised is considered. Estimates may be made, however, and these of course should be based upon such facts as are available, and not upon sheer optimism or a desire to make the prospective bill seem less than it will probably be.

Even with the health-insurance plan in mind, or perhaps with it especially in mind, the first necessity confronting the Congress is that of framing the legislation under which the coverage of existing social security system will be expanded to take in the groups not now included, among which are the farmers and other self-employed, members of the armed forces, and the employees of non-profit institutions. This, it is estimated, will produce a total under the system, including dependents, of about 120,000,000 persons, or 85 percent of the population. This is to all intent universal coverage.

At the same time the problem is to be faced, as it must, of making the system meet more nearly, if possible, the broad promise of social security implied in its title, by providing benefits which are not so low as to compel the beneficiary, as at present, to apply for old-age assistance in order to avoid starvation. On this there is no argument whatever, as the facts on the OASI payments now made speak for themselves, and the Federal Security Administrator was very recently quoted to the following effect: "Today the average amount of old-age insurance paid to elderly couples is \$39.30 per month. The present scale of payments was fixed in 1939, but since then the cost of living has increased nearly 75 percent, and the cost of food over

100 percent. Today old people who are entirely dependent upon their social-security payments are actually enduring slow starvation."

That estimate of the situation is not exaggerated. It should be added, moreover, that in the case of the elderly couples mentioned, unless both man and wife are over 65, which, of course, is not always the case, the only payment is to the man, and that its average is now around \$25 a month. No such amount would have furnished as much as a bare subsistence in 1939, either, so that even then the promise of security under the system was a delusion. The delusion has merely become more evident with the increased cost of living. The whole situation has been recorded in immense and painstaking detail in *Issues in Social Security*, the report of the Calhoun social-security technical staff to the Committee on Ways and Means, ordered by the Seventy-ninth Congress. None of the facts can be disputed.

This is all emphasized, for the attention which it powerfully demands from Congress, not only because it happens to be true, and because the proposed remedial legislation will heavily increase the individual's and the Nation's tax burden, but because it offers an immediately relevant and striking proof of the failure of Government performance to live up to the glowing promise. Here, as elsewhere in the world, the promise is broad, the performance is meager, and while the costs go up and the burden on the economy increases, the individual is progressively deprived of any chance to protect his own future. Meanwhile the control of Government becomes steadily greater as its provision for its wards becomes more difficult and more expensive.

Figuring the taxes

The present social-security tax of 1 percent each on employer and employee will have to be increased immediately to not less than 1½ percent each, on a base of \$4,800 instead of the present \$3,000, according to the Social Security Board's own figures. The self-employed, including farmers, may be let off with a tax of only one and one-half times the employee rate, instead of double, as it should be, so that this group would be asked to pay 2¼ percent of income up to \$4,800 for the present system, providing only OASI and related benefits.

These taxes, chiefly for retirement benefits, on a grossly inadequate basis even if the proposed 50 percent rise is approved, are estimated to produce over \$4,000,000,000 a year instead of the present \$2,750,000,000; and they will add to the present \$10,000,000,000 reserves in the system about two billions a year, up to the time when payments will exceed income, with the growth of the number of beneficiaries, and the Government will have to pay about one-third of the total out of general taxes to be levied on all alike. The board's own estimates, again, point to an annual cost for the OASI system of five to six billions in 1960, seven to nine billions in 1970, and nine to twelve billions in 1980. It becomes clear, as these figures are considered, that it really makes little difference how the taxes are levied, since all will have to bear them in one way or another, and the so-called reserves are in simple fact only Government obligations, for the payment of which, when cash is needed, the Treasury will have to provide.

Add to this, then, the proposed health-insurance system. The board estimates its cost in the first year at four billions, with an additional two billions should a disability insurance coverage be provided. These estimates appear to be in line with a conservative view of limited use of medical and hospital-care facilities, but not at all with the generally recorded fact of excessive use, when the Government is compelled to make good on its promises of unlimited care and medicines for everybody. In Great Britain, for example, in

spite of the country's experience of 37 years with health insurance, the cost of the Government's operation of all health care was underestimated for the first 3 months alone at the rate of \$872,000,000 a year. An equivalent error in similar estimates in this country, on the basis of relative population, would mean over \$2,500,000,000 a year; which might matter.

However, taking the estimates as a basis, at least, of the tax which will in the beginning be asked of Congress for health insurance alone, with increased rates later as rising costs force the issue, 1½ percent each for employer and employee will be added to the social-security taxes, and presumably, for the self-employed another 2¼ percent, all applying to pay or self-earned income up to \$4,800. Thus for the farmer who can be shown to have netted that amount, and there are a good many of them, there will be a gross income tax, in addition to all other taxes, of \$216 a year—at the beginning. At the higher rates which will almost certainly become necessary as time goes on, the tax will be proportionately higher.

Thus at the very least and lowest, and without taking into account the depressing indications, in the experience of other countries, that health-insurance cost will be double or triple the highly conservative estimates, the Social Security Board itself believes that taxes will have to be levied annually for its operations, in addition to all other taxes, to the amount of not less than \$8,000,000,000, with \$2,000,000,000 more for disability insurance. That makes \$10,000,000,000.

The Congress is to be faced immediately, aside from all this, with the tax and other problems related to a general budget of \$45,000,000,000 or thereabouts. The tax bill which will be drawn to meet that enormous sum, without repeating the dangerous resort to deficit financing, will necessarily rely chiefly upon individual and corporate income taxes. These taxes, burdensome as they are when raised to the levels designed to meet such vast budget figures, will receive the most earnest scrutiny from Government experts, including Members of Congress, concerned both for their effect upon the general economy, especially upon industrial productivity and employment, and their impact upon the individual taxpayer.

With the country's now extensive experience in meeting enormous Federal governmental costs at least in part by taxes—the debt of \$250,000,000,000 has accumulated in addition to taxes and remains as a continuous threat—realization has become general that there are no new sources of revenue. The only source of revenue is the American citizen. He pays and will continue to pay the entire bill, in his daily expenses, in his production, in the effect upon his and his family's standards of living and their arrangements for the future, as well as in direct taxes.

He has been paying in direct taxes for social-security purposes his half of the current take of \$2,750,000,000. Under the new plans for the expansion of the system, not including health insurance, he will be asked to pay half of the increased levy of \$4,000,000,000; and yet the payments to the OASI beneficiaries, it must be remembered, will remain so small (50 percent over the present average would be \$37.50 a month) as still to force the lucky recipients to accept old-age assistance or stop eating.

Then ask him to pay half of an assessment of another four billions for health insurance, whether he wants it or not, and whether he needs it or not; and still another two billions for disability insurance. Ask him.

There is no need to doubt that many of the proponents of the idea of the Federal Government assuming full charge of individual health care, as of individual security in old age, mean well. But to mean well is not enough, if the results should be disastrous

in terms of promises not kept, of the encouragement of abuse of medical facilities, the degeneration and discouragement of the profession of healing, and rising taxes and Government debt. Even the supporters of the Federal plan estimate an eventual cost for the program of somewhere between 15 and 20 percent of pay rolls. (Readings in Social Security, Cohen & Haber.) The Congress will have to bear all this in mind in attempting to decide wisely whether to embark upon a course so radical, so costly in both money and in the human factors involved, and so unlikely to accomplish the desired results, if experience both in this country and elsewhere means anything at all.

SUMMARY

The reasons advanced in favor of expanding the social-security system, admittedly a failure in its operation up to now, to cover individual health care, are not sufficient to warrant the serious risks involved.

Government plans for individual health care in other countries have produced uncontrollably excessive demands upon doctors, hospitals and auxiliary services, without any possibility of reasonable check once the deterrent of individual cost has been removed, and with resulting excessive cost to the insurance fund and to government.

Medical, hospital and related individual health services in this country are now the best in the world, under a system which has developed according to the best traditions of the American character; and these services are available to the vast majority of the people, at charges they can pay with or without the increasing scope of voluntary prepayment plans, or without charge. Government may assist, but should not be permitted to destroy, this magnificent system.

Something must be said, in addition to all of the above, of the destruction of traditional liberty which is directly and unavoidably involved in the plan to bring individual health care under government control by compulsory legislation. There is a point at which the right and the duty of government to legislate, even for the general welfare, conflicts with the right of the citizen to be let alone. "Stop" signs are necessary on the public highways; but no citizen would permit them to be placed by government on his private road.

The parallel alleged between compulsory health insurance and compulsory school attendance is not accurate. School attendance is required of children, not adults; and it exists only under State law, not under Federal law. When every citizen is required not merely to submit to heavy deductions from his pay for Federal health insurance, but to call upon his doctor and his dentist on such dates as may be fixed by the Federal authority, the parallel will be complete, and the compulsory system will have developed to its logical conclusion. Such compulsion as to visits for medical and dental examinations is in fact the only possible way in which the results promised may even hope to be achieved. Will Congress go this far?

Under the still free American system, education of the individual to the desirability of proper professional advice on health matters, so that he may himself voluntarily take advantage of the available facilities, including prepayment for health care, is the only sound and practical and acceptable method.

Liberty is still the dearest possession of the American. Liberty always implies responsibility; and the exercise of responsibility develops ability to meet it, in every aspect of existence, including the care of one's health. The alternative of destroying personal and professional liberty is the alternative of the paternalistic and collectivist State. It is unacceptable to the traditions and the spirit of a free people. It should not be imposed for the purpose of taking over the control of individual health care or for any other purpose.

The Hoover Commission

EXTENSION OF REMARKS

OF

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 16, 1949

Mr. REED of New York. Mr. Speaker, it is with pleasure that I introduce as a part of my remarks under unanimous consent heretofore granted an address delivered by Dr. Robert L. Johnson, chairman of the Citizens Committee for Reorganization of the Executive Branch of the Government, before the Massachusetts Federation of Taxpayers Associations, Inc., at Boston, May 7, 1949.

I am glad to see that the citizens of this country are becoming aroused over the delay in taking legislative steps to carry out the recommendations for greater efficiency and greater economy in the Federal Government, as recommended by our former President, Herbert Hoover. I commend the reading of Dr. Johnson's address to all who are interested in the great work of the Hoover Commission on Reorganization of the Executive Branch of the Government.

We are meeting today to honor the work of the Commission on Organization of the Executive Branch of the Government and its chairman, former President Herbert Hoover.

There is something to ponder in the fact that your federation, meeting here in Boston, should have chosen this theme at this time.

Certainly there are tides in the affairs of men and these tides have often broken first on the shores of New England. The destiny of a new Nation was shaped here, in no small part, by men whose nearby monuments remind us of a great heritage.

To do justice to the memory of men like Samuel Adams, Paul Revere, and Hancock we need to remember some of their greatest qualities. No matter how they differed individually, the colonial patriots united freely in their resistance to tyranny. They faced facts without fear. And they always looked a new idea squarely in the eye.

Ever since those early days Americans everywhere have shown that they will unite in a crisis, meet facts head-on, and look to the future together.

Today we face the danger of a new tyranny. It is not the tyranny of a greedy and stupid monarch 3,000 miles away. It is a more dangerous tyranny of our own making.

To face it is the task of tough-minded citizens whose sense of the future is strong.

Something of this sort must have been in the mind of your distinguished Senator Lodge when, in July 1947, he sponsored the measure which brought the Hoover Commission into being. It is notable that in these times of quarrels and dissensions the action of the Congress in creating the Commission was unanimous.

It is also notable and gratifying that here in Massachusetts there has been founded a bipartisan commission, similar to the national commission, under the chairmanship of a former Democratic Governor, Joseph B. Ely.

I like to think of the Lodge-Brown Act as "An act to give the American people one more chance to master their Government before they become its slaves." Under this act, the Commission's assignment was to find ways of limiting Government expenditures to essentials, by eliminating duplica-

tion and overlapping of services. I like to think of that assignment as "the construction of a guidepost on the road to freedom."

Destiny placed us on that road originally and destiny may have had a hand in the unanimous congressional approval of the act and in the appointment of six Democrats and six Republicans as members of the commission. Destiny, inspiration, or both may have moved Speaker JOE MARTIN of Massachusetts to choose Mr. Hoover as a member and President Truman to propose him as chairman with Dean Acheson, now Secretary of State, as vice chairman.

After that it seemed for a time as though destiny had forgotten this particular bit of handiwork. For many months thereafter the commission was inconspicuous. It was busy, however, in organizing its research.

You will recall that some 25 major problems of government were selected for study. Research committees, called task forces, were appointed to get to the bottom of each problem. Some 300 task force members, specialists all, worked from 10 to 14 months, gathering facts, analyzing figures, delving into history, and preparing voluminous reports. The contribution made by Massachusetts to the expert personnel of these task forces was unusually large.

The task forces finally presented their reports to the Commission which, in turn, set about fashioning its own report to the Congress.

The task force reports alone totaled over 2,000,000 words of concentrated fact and thought—by far the most monumental work of government research in all history. For some months the Commission met as often as three days a week in almost complete obscurity. There must have been times when they felt as lonely as the little band of men who met long ago to frame an unheard-of document called the Constitution of the United States.

There must have been times, too, when the Commissioners felt more like the little girl to whom Mr. Hoover referred in a recent talk. This little girl had expressed an interest in penguins to an elderly friend who thereupon sent her a book on the subject. At a much later date she duly acknowledged the gift.

"Thank you for the book about penguins," she said. "It tells more about penguins than I really want to know."

Nevertheless, the Commission hewed hard to its task. In this the members had an excellent example. Mr. Hoover, a lifelong enemy of idleness, worked throughout that period at a pace that would have exhausted most men half his age. He presided at all meetings and throughout each day, including week ends; he devoted 10, 12, and even 14 hours to shaping the reports into what he called an orderly pattern of government.

On February 7, 1949, the Commission sent the first section of its official report to Congress. In 17 subsequent sections it unfolded a complete blueprint for lasting good government.

Somewhere deep down in the hearts of the American people a responsive chord was struck. As news of the report went forth, it captured public and editorial attention to a degree never before achieved by anything so drab as a report on Government reorganization.

Mind you, men have been trying to reorganize the executive branch since the days of Andrew Jackson. The first full-length report on the subject was filed during the Taft administration, when most of us were still in grade school.

But the Hoover report was news. It was big. It was different. And why did it arouse so much interest? I believe that we, as a people, have been growing uneasy about our Government. We are baffled by its complexity, frightened by its size and cost. The

Hoover report offers us a chance to examine it in Town Hall terms.

A free people must have confidence in their government, after all, if they intend to stay free. And they can have confidence only in a government which they can understand and afford to support.

Now there would have been no reassurance in the diagnosis provided by the Hoover report had there been no prescription for a cure. The diagnosis, stated clinically without a trace of emotion, is one of advanced galloping bureaucracy. The facts speak for themselves.

Fact 1. We have big Government. We have willed it so. How big is it? In 20 years of depression, war, crisis, and cold war its cost has risen from \$4,000,000,000 to \$42,000,000,000, its total civilian employment from 600,000 to 2,100,000, to say nothing of a military force of over 1,000,000.

Fact 2. Big Government reaches deep into our pockets, takes one dollar in five of the national income. Its debt amounts to a mortgage of about \$7,000 on every family in America. This is not fictional. This is our promise to pay.

Fact 3. Big Government, as we have it, is a universally acknowledged mess. No one in or out of Government would dream of defending as an organization the unholy hodgepodge of 1,812 departments, agencies, boards, and bureaus which comprise the executive branch.

Fact 4. The executive branch lays a perfectly intolerable burden on the Executive. In no well-run business, university, labor union, or other enterprise would more than a handful of executives report directly to the presiding officer. But in Government, 65 heads of agencies, some of them bigger than General Motors, report directly to the President. If he were to give but 1 hour a week to each one, he would have no time left for matters of broad policy and affairs of state.

Fact 5. In operation, the executive branch ignores the simplest principles of good management. Any private business or household would go broke overnight if run on Government lines. There is lack of executive authority and responsibility everywhere. Thousands of people are hired by personnel people they have never seen, to work under frustrating conditions for people they have never seen. All this takes place in a haze of pointless red-tape paperwork. Budgeting is a series of mathematical mysteries which usually tell what things the money will buy but rarely what purpose they will serve. Accounting sometimes lags years behind expenditures and is neither assembled in terms of complete costs nor reveals results in terms of performance.

These are a few, a very few, of the basic findings of the Hoover Commission and its task forces. You will note that in reciting them I have made little attempt at interpretation nor have I referred to the remedies.

And now, what remedies are prescribed and what savings can be made? In essence, the report recommends just what you would expect—the application of the simple principles of good management. But these are spelled out in detail, department by department, and function by function. Suffice it to say that the Commission's recommendations, taken together, make a glorious amount of simple common sense.

As to potential savings, the Commission itself refrained from making an estimate, so great are the variables when projected very far into the future. Mr. Hoover has personally expressed belief that at least \$3,000,000,000 a year could be saved without damage to essential services. This is based on some of the estimates of the task forces and I feel sure that it errs on the conservative side. An estimate of \$4,000,000,000 might be closer to the truth, if reorganization is vigorously prosecuted.

Moreover, the biggest savings are the ones we cannot estimate. Suppose we simply succeed in stopping the constantly-climbing curve of Government cost? You can't put a price tag on the saving because you can't tell how much more might have been spent.

Suppose we create the conditions of opportunity and reward, under which good Government workers get a better chance to do a job, instead of just hold a job? You can't begin to guess the cash results. But you know that the answer must be stated in billions.

At any rate, \$4,000,000,000 is 10 percent of the tax bill. When do we start saving that? The answer isn't wholly encouraging and it comes in two parts:

1. Reorganization will take time, thought, work, and determination. It calls for extensive legislation. To be sure, much can be accomplished by administrative orders—but only if Congress gives the President the authority he asks in the pending Reorganization Act of 1949. Even that would be only a beginning. Large bodies of law surround every major activity of Government. A score of major bills must be passed, after hearings and debate, before real reforms can be accomplished in the armed services, the Post Office, the State Department, and so forth.

2. Reorganization faces many obstacles—mechanical, procedural, and human—and of these the greatest is human. Resistance to change is not a monopoly of government. It is natural to defend what you're doing. This results, however, in what might be called the "Yes—But" psychology of government. "Yes," says this department head or that agency chief, "I believe heartily in reorganization. * * * But reorganize the other fellow—not me." This, in turn, results in pressures on Congress for exemptions here and exceptions there in reorganization laws. These are what Mr. Hoover has termed the little "grasshopper bites" which have doomed one reorganization plan after another.

Now the Hoover Commission will cease officially to exist on June 12. Obviously reorganization will face hard going after that, unless it is given continuous public encouragement and support.

Hence today we have the Citizens Committee for Reorganization of the Executive Branch of the Government, of which I have the honor, one I feel more deeply than I can say, to be chairman.

The Committee is, of course, nonpartisan and seeks no profit. It is a temporary organization and its aims are primarily educational. Perhaps we are naive but we believe that the most direct means to effective action is through an informed public.

President Truman views it this way. In a recent letter he told me of his disappointment at the reception of certain reorganization plans which he (like other Presidents before him) had proposed.

"Unless some educational program is put on by those interested in efficient government," the President warned with respect to the present plan, "we shall have the same results."

Since the President's letter was received, I am glad to say, many of America's foremost leaders in every walk of life have joined the citizens committee. I wish time permitted me to name a tenth of them. They are the national heads of organizations representing agriculture, business, the churches, education, labor, the professions, the veterans, the women's groups, and, in fact, every major force in the national community. They include many who have served with distinction in public life, among them former Vice Presidents, Cabinet Officers, Members of Senate and House, Governors of States, and many others representing both political parties.

Such unanimity is practically unprecedented. Isn't it just about the most heart-

ening thing that has happened in America in years? How shall we account for it?

First of all, I believe the need for interpretation of the Hoover Commission report in all of its true meaning is widely realized. Let me repeat that. We want to understand the Report in its true meaning.

The facts are clear enough. For example:

Do you realize it costs the Post Office 2½ cents to print and deliver a penny post card?

Is it not absurd that the paper work on 1,500,000 purchase orders each year costs more than \$10 per order? And, by the way, half the purchases are for items costing less than \$10.

Do you realize that thousands of tons of obsolete, useless records and documents are kept in steel cabinets on costly office floors at maintenance charges of \$29 a year, when they might be stored in cardboard containers in warehouses at \$2.15 a year?

Is it not ridiculous that 47 Federal agents representing 7 different agricultural field services should be devoted to the service of 1,500 farmers in a single county in Georgia?

Is it not fantastic that the Army should request budget funds for 829,000 tropical uniforms at \$129 apiece—to say nothing of 910 houses for military personnel in Alaska at \$58,000 apiece?

Is it not more than absurd that the Government should pay interest on its own money—which is just what happens when Government corporations invest their surplus funds in Government securities?

Is it not distressing to note that veterans' insurance death claims take four times as long to be paid as private insurance claims? Yet, the Veterans' Administration employs four times as many insurance workers per policy as do private companies.

These are a handful of governmental absurdities, little and big, selected from hundreds of examples. They are disturbing, but I think you will agree with me it is startling that two different agencies can survey construction sites for dams half a mile apart on the same river—at a cost of around \$250,000 per survey—and come up with estimated costs that are \$75,000,000 apart. It is fantastic that the cost of a reservoir should be estimated at \$44,000,000 in 1 year and only a few years later at \$132,000,000. It is appalling that only 4 percent of the \$1,250,000,000 which the Government now spends for medical services should be devoted to research when medical science stands at the threshold of so many new conquests of disease; if we spent more for research we might never need the vast veterans' hospital construction program which threatens to overtax the Nation's short supply of physicians and nurses.

These, too, are random examples of the larger absurdities of government. I am sure you set the same high value that I do on executive judgment and ability. To me the highest caliber of personnel is needed to staff a government whose activities can have such vital effect on our daily lives—and on the destiny of the whole Nation. Government decisions touch every area of civilized life from animal husbandry to atomic energy. To me, therefore, it is alarming that sheer administrative chaos should so burden Government executives, from the President on down, that wise and thoughtful decisions on matters of the highest importance are difficult to make. It is a shame that Government work is so unrewarding and frustrating that good men are hard to get for posts of vital importance to the national safety, health, and welfare. It is disturbing that 45 out of the sixty-odd top agencies of the executive branch today engage in operations affecting foreign policy and that communications among them are so confused that the President and the State Department must sometimes make decisions of the gravest nature without adequate information. It is actually frightening that the armed services

should be split by dissension and threatened by rule of a military clique; that the Army, Navy, and Air Force which together spend \$15,000,000,000 a year—one-third of the total Federal budget—should demand twice (\$30,000,000,000) as much while wasting at least \$1,000,000,000 a year.

Again those are just a few of the most disturbing results of lack of organization. Consider that last one more closely. The Nation is undertaking for the first time to maintain large standing military forces in peacetime. This means a great drain on our resources, financial, material, and human. Too great a drain may render us unfit to defend ourselves against the very forces, at home and abroad, which seek our downfall. Here is what the task force on national security said about that:

"Victory by bankruptcy may be the Machiavellian aim of the Kremlin. Burdens such as we are now bearing, if substantially increased, might become intolerable. The premium upon economy, therefore, becomes higher than ever before in our history; it may be said that our national security depends on it."

Need I remind you that this task force report was signed by nearly all the foremost figures of World War II, military, industrial, and political? I believe this brings us closer to one of the true meanings of the Hoover report.

No wonder Americans are uniting, facing facts, and greeting Government reorganization as an immediate necessity to safeguard our future. We are government and government is part of us. Today we are all taxpayers, for taxes not only affect our income, they enter heavily into the cost of the things we buy and build. And it is not as taxpayers, finally—nor as businessmen, educators, farmers, or trade unionists—but as citizens, that we will die in a war or live in peace, suffer in an economic collapse or prosper in a role of constructive world leadership.

We are learning, I believe, that taxes are not derived from static wealth. They are taken from income which in turn derives from production. All the things we want and need come primarily from this source—not only Government services and military protection but schools, hospitals, universities, libraries, museums, and all the things we value.

When taxation reaches the saturation point, production falls and with it our living standards. Perhaps we are learning, too, that free peoples all through history have yielded their freedoms when bureaucracy overwhelms them economically. This is not necessarily because of any plot or plan. It rarely happens suddenly. But we can drift into slavery if we fail to swim against the tide.

It is in the light of these thoughts that I ask you to view the Hoover Commission report and to support the educational program of the Citizens' Committee. We face alternatives. One way lies orderly government, productivity, and the successful discharge of huge new world obligations incurred in behalf of peace and freedom. The other way points to the bleak fate of the wastrel.

And I ask you finally, Can we long stand before the world as a symbol of democracy and successful self-government if we cannot properly manage our own affairs?

That is the challenge. We meet in the twilight of the Hoover Commission's official existence. A great and precious document has been given into our hands, not for respectful safekeeping, not for future reference, not for the academic adulation of scholars yet unborn, but for action—now.

If this document dies in the dusty pigeonholes of Washington, the America we know may well die with it. And its passing will then be recorded by gleeful totalitarians dipping deep into the ink which has recorded

the downfall of more than one big, rich, foolish nation.

We as a people have been free because we have been willing to think. Let us think now, and think well. Let us think how best to build for the future. Let us think how best to govern ourselves.

I invite you, therefore, to a vast, national, continuing town meeting in the New England tradition. I invite you to hard, unsparing thought and study. I invite you, moreover, to a good, rousing fight. I invite you to a struggle against indifference. I invite you to a modern revolution against entrenched complacency. I invite you to an all-fired, tough, determined battle against waste and mismanagement wherever they occur.

In this battle there will be "summer patriots and sunshine soldiers." There will be defeatists to remind us that past efforts at Government reorganization have met with scant success. The "yes-buts" will have their day. But over them all there will finally arise a chorus of "ayes" announcing a national determination to have and keep a pattern of lasting good government.

Victor Hugo once said: "The only thing greater than armies is an idea whose time has come." We face now an opportunity, which may well be our last, to revitalize our heritage.

We are in this to win. With your help and that—first of thousands, then of millions—of good citizens in every walk of life throughout America, we will win.

Newspapers—And Government

EXTENSION OF REMARKS

OF

HON. JOHN KEE

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 16, 1949

Mr. KEE. Mr. Speaker, the question of readjusting second-class postal rates is agitating the press. I notice that the newspapers of my State are concerned for fear that excessive rates will result in losses and even suspension of publication. The fact that the press performs a valuable public service in informing the people on matters of government is urged as a reason for keeping newspaper-mail rates moderate. A thoughtful editorial on this line appears in the Williamson Daily News, of my State, from the pen of Editor Earl L. Sampson. Under the permission granted me to extend my remarks I include this editorial, as follows:

NEWSPAPERS—AND GOVERNMENT

A famous American once made this rather striking statement: "Were it left to me to decide whether we should have a government without newspapers, or newspapers without a government, I should not hesitate a moment to prefer the latter." That was the voice of democracy speaking; in fact, that at one time, was the voice of the Democratic Party. For the man who spoke these words was Thomas Jefferson, called the founder of the Democratic Party in principle.

The newspaper is more than just sheets of paper upon which words are printed; the newspaper is an emblem of freedom—a daily exponent of the amendment to the Constitution which so many quote so glibly: "Congress shall make no law . . . abridging the freedom of speech or of the press."

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. DOLLIVER and Mr. LICHTENWALTER objected, and, under the rule, the bill was recommitted to the Committee on the Judiciary.

JACOB GROSS, A MINOR

The Clerk called the bill (H. R. 3127) to authorize the admission into the United States of Jacob Gross, a minor.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of State be, and he is hereby, authorized to instruct the proper United States consular officer in Paris, France, to issue an immigration visa to Jacob Gross, a minor orphaned grandchild of Rabbi Solomon Horovitz, of New York, N. Y.: *Provided*, That the child is otherwise eligible for immigration into the United States.

Sec. 2. Upon the issuance of a visa to the said Jacob Gross, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for Rumania for the first year that such quota number is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING SALE OF CERTAIN LAND IN ALASKA TO FORD J. DALE, OF FAIRBANKS, ALASKA

The Clerk called the bill (H. R. 1790) to restore certain land in Alaska to the public domain and to authorize its sale to Ford J. Dale, of Fairbanks, Alaska.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Ford J. Dale of Fairbanks, Alaska, is hereby authorized, for a period of one year from and after the effective date of this act, to apply for the purchase of, and the Secretary of the Interior is hereby authorized and directed to restore to the public domain and convey to Ford J. Dale for trade and manufacturing purposes the following-described land situated in Alaska:

Beginning at post No. 1, which is located on the west right-of-way line of the Richardson Highway, approximately two one-hundredths mile north of post 183; thence northerly along said right-of-way line, a distance of approximately six hundred feet to post numbered 2; thence westerly at right angles approximately two hundred feet to post numbered 3, which is located on the east shore of Paxon Lake; thence southerly along the shore of the lake approximately six hundred and fifty feet to post numbered 4; thence due east a distance of approximately two hundred feet to post numbered 1 and point of beginning, said tract to embrace approximately five acres located in approximate latitude 62 degrees 50 feet north and longitude 145 degrees 30 feet west.

Sec. 2. That the conveyance shall be made upon the payment by said Ford J. Dale for the land at its reasonable appraised price of not less than \$1.25 per acre, to be fixed by the Secretary of the Interior: *Provided*, That the conveyance hereby authorized shall not include any land covered by a valid existing right initiated under the public land laws: *Provided further*, That the coal and other mineral deposits in the land shall be reserved to the United States, together with the right to prospect for, mine, and remove the same under regulations to be prescribed by the Secretary of the Interior.

With the following committee amendments:

Page 2, line 12, after the word "west", insert "*Provided*, That the cost of any survey necessary to the issuance of patent shall be paid by Ford J. Dale prior to the commencement of such survey."

Page 2, line 24, after the word "under", insert "applicable laws and."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING THE SECRETARY OF THE INTERIOR TO ISSUE A PATENT IN FEE TO L. J. HAND

The Clerk called the bill (H. R. 4261) authorizing the Secretary of the Interior to issue to L. J. Hand a patent in fee to certain lands in the State of Mississippi.

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The SPEAKER. That completes the call of bills on the Private Calendar.

REORGANIZATION OF GOVERNMENT AGENCIES

Mr. DAWSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2361) to provide for the reorganization of Government agencies, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. DAWSON, HOLIFIELD, McCORMACK, HOFFMAN of Michigan, and RICH.

ASSISTING STATES IN COLLECTING SALES AND USE TAXES ON CIGARETTES

Mr. SABATH. Mr. Speaker, I call up House Resolution 190 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 195) to assist States in collecting sales and use taxes on cigarettes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, this rule makes in order the consideration of the

bill H. R. 195, reported unanimously, I understand, from the Committee on Ways and Means. It is the so-called cigarette bill. The House passed a similar bill in the last Congress, but unfortunately it did not pass in the other body.

The purpose of this bill is to assist the States in collecting State-imposed sales and use taxes on cigarettes. The bill provides that—

Any person selling or disposing of cigarettes in interstate commerce whereby such cigarettes are shipped to other than a distributor licensed by or located in a State taxing the sale or use of cigarettes shall, not later than the 10th day of each month, forward to the tobacco tax administrator of the State into which such shipment is made, a memorandum or a copy of the invoice covering each and every such shipment of cigarettes made during the previous calendar month into said State; the memorandum or invoice in each case to include the name and address of the person to whom the shipment was made, the brand, and the quantity thereof.

Mr. Speaker, there is a general demand for this legislation, because there are several States that have no tax on cigarettes, and the mail-order houses find it profitable to send great quantities of cigarettes into those States. The dealers in those States resell them indirectly via mail and on the "q. t." basis without in any way paying a tax thereon. The States lose a great deal of revenue and so does the Federal Government. Consequently, there is a general demand for this legislation, as I said before.

The bill will be taken up under the general rules of the House. This is an open rule, and it provides for 2 hours of general debate.

I do not believe it is necessary for me to say anything more about the bill because I know it will be fully explained by the gentlemen representing the Committee on Ways and Means and also the gentleman who originally introduced the bill.

Mr. Speaker, I now yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may use, and ask unanimous consent to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BROWN of Ohio. Mr. Speaker, as the gentleman from Illinois has explained, House Resolution 190 makes in order, with 2 hours of general debate, the consideration of H. R. 195, a bill introduced by the gentleman from Ohio [Mr. JENKINS], which was reported unanimously from the Committee on Ways and Means. It is for the purpose of assisting the States in collecting sales and use taxes on cigarettes.

This is a very meritorious measure, and one in which there is a widespread national interest.

Mr. SABATH. Mr. Speaker, I yield 10 minutes to the gentleman from West Virginia [Mr. BURNSIDE].

Mr. BURNSIDE. Mr. Speaker, I am opposed to this bill. I firmly believe that

It is bad in principle and that it is not the kind of legislation to which this Congress should direct itself. For the first time in history this Congress is being approached by the States with a confession by those States that they cannot deal with their own citizens. The great State of Ohio has come here, according to the gentleman who introduced this bill, and said, "Our citizens will not obey our cigarette-tax law as we construe it. We need the help of the Federal Government to compel interstate shippers to tell us who these citizens are. We wish the Federal Government to force the shippers to act as revenue agents of our State so that we may be informed of which of our citizens has chosen to buy in the interstate market rather than the local market, and then we wish to attempt to collect taxes from those persons." It seems to me that this is a violation of the entire principle of Federal-State relationship. State taxation has been regarded by the States as solely their own business and of no concern of the Federal Government whatever. I am sure that the States would resent Federal interference and instruction as to what type of tax structure they must have. Yet, here we have the spectacle of the States asking the Congress to help enforce their tax laws. Of course, what we are being asked to do today is to say that we approve of the State sales taxes and use taxes on cigarettes and that we will lend the aid of this Congress and the executive branch of the Federal Government to help collect those taxes. We are being asked to make available the services of Federal district attorneys to prosecute violations of this law and of the FBI to prepare cases for trial. I, for one, am unwilling to do this. I believe Congress should not be asked to pass judgment on the tax structure of the various States of the Union. It should not be asked either to say that it approves of the tax structure of the State of Ohio or that it disapproves of it. It should not be asked to interfere with that tax structure in any way, either to hinder or to help. However, if we are to pass on that subject—and I cannot see what else is proposed here—I cannot approve of the State cigarette taxes. They are sales and excise taxes on necessities, and I am opposed to those taxes. I was elected on the platform of my party, which states that it is opposed to sales taxes. I believe in that platform, and I will not knowingly do anything to aid in furthering the spread of such taxes. They impose a disproportionate burden on the poor. The present bill, if passed and effective in accomplishing the objectives of its supporters, will make it impossible for the workingman in tax States to escape the consequences of local high taxes, or of local so-called fair-trade laws, which make him pay more for cigarettes, which to him are a necessity of life. That cigarettes are a necessity to smokers cannot be doubted. We spent millions getting them to our armed forces and they are part of Marshall-plan aid.

I have before me a copy of the magazine the Tobacco Leaf which is a vigorous supporter of this Jenkins bill. It has in its issue of May 7 an editorial called Sharpshooters on the March, headlined

"They are making a determined and methodical fight against every form of law that makes price cutting difficult." The editorial is equally divided between support of the Jenkins bill and the so-called fair-trade laws on cigarettes in the States. I quote from the editorial:

Now the Miller-Tydings law, the fair-trade practice laws, the unfair-trade practice laws, and the Jenkins bill have but one thing in common; all of them are intended to make price cutting more difficult.

Gentlemen, I am not interested in making price cutting more difficult. I believe in the way of free competition. I believe it will result in cheaper products for consumers. It will increase the real income of the American people. I do not believe in artificial restraints designed to keep prices high and to prevent the lowering of prices. Accordingly, the whole purpose of this bill is one which runs counter to the entire philosophy in which I believe. I am opposed to sales taxes on necessities. I am opposed to high prices on necessities of life and I am opposed to the Federal Government interfering in the tax structure of the States.

Furthermore, if I am to be asked and compelled to consider the tax structure of my neighboring State, the great State of Ohio, I may ask, Why it is that that State which is so eager to have the Federal Government assume part of its own burdens of tax collections, does not adopt a form of taxation which is not so easily avoided? Since the suggestions of the Congress have been invited by the Jenkins bill, I believe it is appropriate to suggest the State of Ohio should adopt a graduated income tax which it has not seen fit to do rather than this inequitable sales tax which singles out a necessity of life and imposes heavy taxation upon it. It is generally conceded by tax experts that an income tax is to be much preferred to a sales tax. I would have thought that this was a matter upon which the State of Ohio, for example, was entitled to do whatever it saw fit without comment by me or by any other Member of this body. However, that State has sent its tax commissioner here to ask the aid of the Congress and voluntarily submitted to this Congress the question of whether the Federal Government should aid the State of Ohio to collect this tax or whether the State of Ohio should be limited to its own devices. I say let the State of Ohio collect or not collect the present tax or seek other means of taxation which do not require the aid of the Federal Government. I will not do anything to increase the burden of taxation by way of a sales tax on necessities except in a case of absolute necessity. No such necessity is shown here.

In addition, the bill before us is not only a precedent shattering bill, it is one as to whose constitutionality there is substantial doubt. I have in my possession a brief filed before the Ways and Means Committee of the House by Judge Thurman Arnold, former judge of the United States Court of Appeals for the District of Columbia. We in West Virginia know him well. He was at one time dean of our law school at the University of West

Virginia. Judge Arnold's brief points out with citation of specific cases that the Jenkins bill proposes to aid the States in collecting sales and use taxes which they are prohibited from collecting under the Constitution. His brief cites specific examples of State laws which it is unconstitutional to apply to interstate shipments. I have read the report of the committee and I do not see any answer to these arguments or, indeed, any treatment of them except a simple statement of the committee's conclusion that the bill is constitutional. I believe it would have been helpful to this body to have a more detailed analysis of the specific charges made in that brief. For example, the brief states that the cigarette tax of the State of Illinois has been held unconstitutional as applied to interstate shipments to people who buy for consumption. It states further that under the Jenkins bill a shipper into the State of Illinois would still have to send to the tax commissioner of Illinois an invoice on every customer to whom he sent cigarettes in the State of Illinois. If this is so, it seems clear to me that it is imposing a very heavy burden on the shipper and giving absolutely no aid whatsoever to the State of Illinois. I would like to know from the supporters of the bill whether that is the kind of thing we are being asked to do. I would also like to know whether it is not true that most of the cigarette-tax laws require a license before any purchase is made in interstate commerce and I would like to ask whether such a requirement of a license is not in violation of the commerce clause and is not a restriction on free trade among the several States which the commerce clause was intended to protect and foster.

Also, I note in the hearings on this bill that the proponents of the bill agree that the principle of the bill is equally applicable to every kind of commodity and is not limited merely to cigarettes. Under the circumstances it seems clear to me that once this bill is enacted we will be faced with a drive to strike out the word "cigarette" and to insert "any commodity." This bill seems to me to be the opening wedge in a drive to stifle interstate commerce in a welter of restrictions based on local taxation of interstate traffic.

I also note in examining the hearings that there is no comment from the Post Office Department whose revenues might be affected; from the Department of Justice or from the Treasury Department. I assume that the Treasury Department and the Justice Department have by now answered the request of the Committee for comments and I respectfully suggest that those comments should now be made available to the membership of the House. I have the greatest respect for the members of the Ways and Means Committee but I suggest that in this instance they have acted somewhat hastily without having before them the comments of the Government departments involved and without having an analysis of the State laws which the Congress is being asked to help the States enforce. I respectfully suggest that the matter be referred back to the

Appendix

Reorganization of Government Agencies

EXTENSION OF REMARKS

OF

HON. HERBERT R. O'CONOR

OF MARYLAND

IN THE SENATE OF THE UNITED STATES

*Tuesday, May 17 (legislative day of
Monday, April 11), 1949*

Mr. O'CONOR. Mr. President, it was my privilege yesterday to speak briefly on the floor of the Senate in favor of H. R. 2361, the Reorganization Act of 1949.

It is my conviction that the critical state of our economy, in view of the huge expenditures to which we are committed both at home and abroad, and the complete dependence of many Nations of the world upon us for financial assistance, require a redesigning of the departmental structure of our Government.

In support of the many arguments that suggest themselves in this connection, a masterly article by the very competent Comptroller General of the United States, Mr. Lindsay C. Warren, appears in the May issue of the *American Magazine*.

Mr. Warren's article poses the question: "Will the wasters win again?" and goes on to say that "we have reached a crisis in Government. If Congress and the President are now unable to put through an effective reorganization, they and the taxpayers might as well surrender. If the bureaucrats win again, as they have before, we are through."

Mr. Warren's article is so authoritative in its treatment of this vastly important subject that I believe it deserves the attention of all who are interested in effective, economic Government. I therefore ask unanimous consent that it be printed in the Appendix of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WILL THE WASTERS WIN AGAIN?

(By Lindsay C. Warren, Comptroller General of the United States)

The President of the United States, the Congress, and the taxpayers once more are engaged in the bitter battle of bureaucracy, a war that has been waged for years. Arrayed among the opposition are the pressure groups, the local interests, the special classes, who have come to demand as a right a continuance of payments, benefits, betterments, exemptions, priorities, preferences, and special services, ultimately a charge upon the taxpayer. In the forefront, and deeply entrenched, are the heads of some of the 1,800 Government bureaus, divisions, agencies, and authorities, who are fighting fiercely to protect their jobs, their departments, their red tape, their functions, and their right to spend in their own way the taxpayers' money. In 20 years Government divisions and units

have increased from some 300 or 400 to as high as 1,816 (depending on who counts them). The Federal pay roll now numbers more than 2,000,000 civilian employees.

As Comptroller General of the United States, and head of its General Accounting Office, I am concerned at the amount of waste, extravagance, and duplication which shows up in many quarters, and most especially at the tenacity with which the bureaus continue their jobs and their spending after there is no longer any need for them.

An outstanding exception is the Home Owners' Loan Corporation, which, born in the throes of depression, saved the mortgaged homes of thousands of our citizens. Of late, HOLC has been liquidating and doing a remarkable job of cutting down its force as rapidly as could be, with the result that the Treasury has every prospect of getting back every dollar which ever went in that project. But a vast number of Federal bureaus should be the object of a vigorous, uncompromising, but scientific and discriminating application of the bush-ax treatment, which I have urged for many years. That there will be snarls from those whose powers are curbed, and louder ones from those whose benefits, payments, and services are discontinued, will be music to the ears of the taxpayers at large.

Government reorganization is a major topic today because of the exhaustive report of the Commission headed by former President Herbert C. Hoover, and the action by Congress to put into the hands of President Truman the authority to streamline the Government. Mr. Hoover estimates that the adoption of his Commission's recommendations would save several billion dollars a year. He has said the 65 bureaus and agencies reporting directly to the President ought to be cut to one-third of that number.

Now, this and similar estimates of extraordinary savings from reorganization must be taken with a grain of salt, for reorganizing is more than the reshuffling of agencies. It is also the abolition of the useless and out-moded function, and it should bring to light those far too many cases existing where the function itself must be continued but where the staff "working" on the job is far too great to do what may be needed. Everybody knows that some Government agencies are overmanned and, like sin, everybody is against it. But putting the finger on the particular spot is a task for experts.

In general, what Mr. Hoover is now saying has been said before. President Roosevelt, in 1937, called our Government set-up "a higgledy-piggledy patchwork."

Congress after Congress, President after President, almost from the birth of our Nation, have added to the crazy quilt of bureaus. Once established, they are loath to die. Instead, every year the heads of these bureaus go before Congress and swear they need more money than they had in the previous year. If Congress should set up a temporary bureau for an investigation to learn whether the three blind mice really ran, and how far, the bureau would come back the next year with a glowing report as to how the bureau's mouse survey helped prevent war, or reduced the national debt, or increased farm income, and would ask that the bureau be made permanent and the appropriation increased. If lobbyists managed to put up a convincing fight, the bureau might win.

Bureaucracy was increased and strengthened tremendously during the war by catch-

as-catch-can laws and emergency agencies that were necessary in the days when fast action was more important than economy and efficiency. The end of the fighting brought an end to too few of these agencies.

Thus has been built a monstrous Frankenstein that in many instances has become stronger than Congress, which created and nourished it. At times it snaps its fingers in the face of Congress and openly defies it to reorganize, consolidate, or abolish agencies. The foremen are dictating to the Board of Directors; the tail is wagging the dog.

In some departments are bureaus that have been so set up by Congress that they are able legally to defy the Cabinet officer who is supposed to be in supreme command. These bureaus go direct to Congress over the head of the top officer. Too often have we seen the brave efforts of the President and the Budget Director, in trying to balance the budget, go for nothing when the bureau heads and the pressure groups they serve clamor for more appropriations, appealing to Congress against the recommendation of Cabinet officers.

We have reached a crisis in government. If Congress and the President are now unable to put through an honest, widespread, and effective reorganization, they and the taxpayers might as well surrender unconditionally. If the bureaucrats win again, as they have before, we might as well concede that we are through. We shall be forced to confess that governmental affairs cannot be conducted on a businesslike basis, that we cannot set up clean-cut operational systems, eliminate red tape, or promptly discharge department heads who put their own interests above those of the taxpayers. It will be proved that shocking Government extravagance is as much a part of democracy, and as indestructible, as the Supreme Court.

As the head of the General Accounting Office—which has the biggest auditing job in the world—I am responsible only to Congress, not to the executive branch, and it is my duty to see that the money Congress appropriates is spent, as the law puts it, "for the purposes for which appropriated and no other." I was appointed Comptroller General in 1940 for a 15-year term, after serving nearly 8 terms in Congress as a Representative from North Carolina. Reorganization has been a major interest of mine for years; I worked particularly closely with President Roosevelt in his efforts to get authority to let him streamline Government operations.

I have no voice in the policy-making job of the Congress of deciding what Government services should be established, and of course I should not have. In a representative government that is the job of the people's elected spokesmen. But I have seen—in 1932, in 1939, and in 1945—the passage of reorganization bills that were aimed to bring efficiency to the unsegregated, sprawling groups of Government functions and functionaries—to make only one or two grow where dozens grew before. I have helped write those bills, I have joined with others in an effort to make them work. So far as they have gone, the job done under those acts have been noteworthy, but they have not gone far enough. Consolidation has been stressed. Abolition ought to be stressed as well.

I plead for a change in the administrators' point of view toward the money Congress gives them to spend. Too many bureau heads actually believe that appropriations belong

to them and they must spend every cent, even though it may take superhuman planning to be extravagant enough to get rid of it all. Sometimes the state of the agencies' bookkeeping prevents Congress from learning the financial facts of life and matching appropriations with the agencies' real needs.

When Congress set up the Federal Savings and Loan Insurance Corporation it called upon the Home Owners' Loan Corporation to provide capital for it, but since this meant, in effect, adding to the over-all public debt an interest burden, the law required FSLIC to reimburse Home Owners' Loan Corporation its outlay for interest by payment of dividends out of net earnings. That interest cost amounted to \$25,000,000 by last June, but the Federal Savings and Loan Insurance Corporation ignored the law, even though it had total earnings of \$90,000,000. It is true that such payment would be made from one of Uncle Sam's pockets to another, but FSLIC is still holding \$25,000,000 that should be handed over to the Treasury. Instead of being used to make FSLIC look more prosperous, it should be applied as a reduction of the public debt.

The Federal Prison Industries, Inc., we found, piled up nearly \$12,000,000 that the corporation didn't need. As a result of our recommendations the agency gave it back to the Treasury. Our office discovered that the Panama Railroad, a Government corporation, had \$10,000,000 to spare. That agency, instead of giving the Treasury larger dividends, had invested this money in United States Government bonds. Thus the Treasury, and the taxpayers, were paying interest upon money that belonged to the people. That device may be good management—from the standpoint of the agency alone—but it is pretty fancy bookkeeping. Thus the Production Credit Corporation (an offshoot of the Farm Credit Administration) had, through 1946, piled up \$33,000,000 from the income on excess Government capital, which they invested in various types of interest-bearing Government bonds, and this income was used to pay expenses, make up losses, and establish a neat surplus.

That bookkeeping fantasy is not only perfectly legal but is common in Government corporations, which operate with capital furnished by Congress instead of upon annual appropriations. The corporations put their excess dollars into Government bonds, and thus collect interest that sometimes is enough to pay their operating cost. The vice, of course, lies in the obscurity—when Congress appropriates the money it is for interest on the public debt (an obvious "must"), not for operations of its corporate agencies.

In reorganization, the big job, of course, will be to reduce duplication, to abolish and consolidate. Ten years ago I pointed out such facts as that 28 agencies were engaged in welfare matters and 75 were buying transportation from railroads and ship lines. I note from a recent story that the Hoover Commission reports that 28 are still dealing in welfare matters, and 75 spending more than a billion dollars a year, are still buying transportation. One of my cynical associates contends that anyway it shows progress, because the number has not increased. In welfare and transportation, at least, we have held the line.

Our purchases of transportation were so badly handled during the war that the Department of Justice is now attempting to get a total refund of about \$2,000,000,000 which is said to have been overpaid to the carriers. Although we cannot set up one bureau to buy all transportation, coordination would reduce the annual cost by millions of dollars.

In 1946, Senator HARRY F. BYRD listed 951 Government agencies operating within 358 departments and independent establishments and concerned with 24 fields of activity. There were 27 handling labor relations, 37

concerned with public health, 24 were making maps, and 93 were concerned with Government lending. Some of these have been reduced or merged, but generally the picture remains the same. As Senator BYRD discovered, if a bureau is abolished, the employees and usually the functions turn up in another department under another name. In post-war reorganizations, 793 employees went into the State Department from the Office of Strategic Services, and 3,718 from the Office of Inter-American Affairs, the Office of War Information, and the Foreign Economic Administration.

Even if reorganization didn't reduce Government appropriations a dollar, it would give us tremendous returns in increased efficiency. And it would save money and time for all who do business in Washington—including Government employees, who often are bewildered, themselves, when they try to discover what bureau is handling what.

I have before me a sheet of paper—almost half as large as a bed sheet—that lists the Federal executive departments and agencies. The average citizen who comes to Washington to sell goods, or check a veteran's problem, to borrow money, or to do anything else, goes cross-eyed and dizzy when he examines this list and attempts to find which agency is supposed to handle his problem. No wonder hundreds of men and women in Washington find good profit in guiding citizens to the right bureau. Without a guide a citizen may spend weeks before he finds the department he wants. Because the agencies so overlap, even when he gets to a destination, the department, itself, may not be sure whether he is in the right office.

Experienced as we are in the General Accounting Office, often we must search the 722-page Government Manual for half an hour and make a dozen calls before we find what bureau handles a certain function.

A citizen who comes to Washington to find out something about public lands discovers that his problem might be handled by any 1 or more of 10 bureaus in several departments. In the Department of the Interior, the right office might be the Bureau of Land Management (which includes the General Land Office and the Grazing Service), the Office of Land Utilization, the Bureau of Indian Affairs, the National Park Service, the Fish and Wildlife Service, the Bureau of Reclamation, or the Geological Survey. If he doesn't find the right bureau there, he can go over to Agriculture and try the Forest Service, Soil Conservation Service, and the Farmers Home Administration. If he is still at sea he may find other bureaus concerned with the administration of public lands.

Suppose the citizen comes to study the Government system for retirement of workers. You'd expect that the United States Government would have one retirement system, so that no group of workers would have more advantageous retirement pay than others and that the details would be all in one office. But really to cover the subject he will have to examine at least 10 different plans that are in force, covering the civil service generally, the Army, the Navy, the Coast Guard, the Alaska Railroad, the Lighthouse Service, the Naval Academy Staff, the Tennessee Valley Authority, the Coast and Geodetic Survey, and the Public Health Service. Why? Because each of those offices has a special system, with its own rules, authorities, and funds, and so forth.

In the General Accounting Office our audits frequently turn up a mighty careless attitude toward the taxpayers' money. Some agencies are well organized and perform efficiently, and my criticisms by no means apply to all of them. But the prevailing attitude in many agencies—that they should have the right to handle their funds as they choose, that close supervision is to be re-

sented, and that no changes can be made—often inspires too much carelessness and indifference right down to the bottom drawers in the bureaus. Streamlining, I believe, would help sharpen the wits of all the employees, give them new respect for economy, and cause them to be on the alert to save those hundreds and thousands of dollars that add up to millions.

In 1948, our auditors clamped down upon erroneous and illegal payments by various Government agencies that totaled \$106,798,213. Every cent of that was collected for the Government from persons and corporations that had been overpaid. In the last 8 years, and up until January 1, 1949, we collected and put back into the Treasury over \$608,000,000 which, largely through carelessness and indifference, had been paid out wrongfully.

One auditor found that a contractor had been paid the startling sum of \$135,300 more than the contract called for, but most of the mass of erroneous and illegal payments are comparatively small. We are not directed to make a special waste and extravagance survey, and hundreds of these payments don't show up in the regular audits. The actual waste may be twice as much.

I choose items at random from a foot-high pile of reports on my desk: Failure of a Chicago agency to collect rent for Government property used by a contractor for a cafeteria—\$6,019; commission paid to a dealer for a canceled sale—\$1,647; one division paid a bill twice—\$20,250, and the same division did the same stunt again for \$1,078; carelessness of a Government inspector who accepted what was supposed to be a 25-ton crane but later was found to be an 11-ton crane—\$6,534; paid for tires that were smaller than the kind billed—\$2,160; neglect to collect on land-purchase program—\$15,264; failure to deduct cost of transportation included in contract price—\$1,110.

The waste in salaries because of over-employment in Government is insignificant compared to the waste caused by the actions of those employees. What it totals in dollars must be simply incalculable. We, of course, are post-auditors, which means that when we find them, the deeds are done and cannot be undone. We can collect back illegal payment or erroneous disbursements, but we can do nothing about waste and extravagance except report it to everyone concerned and hope it will not happen again.

For instance, again selecting at random, in Alaska the War Department paid \$2,619 for the rental, for 5 months, of two tractors that cost, when new, \$500 each. The owners collected \$1,619 more than the cost of the tractors, and still owned them.

The American Legation in Canberra, Australia, sent to the State Department a straight cable message that cost \$1,022. A night letter, which would have served the purpose, would have cost only \$373. Another similar report involves excess expense of \$10,000. The office of the Veterans' Administration in San Juan, P. R., in 1 month sent 341 cablegrams, at a cost of \$1,480. The messages could as well have gone air mail special delivery at a cost of \$71.61.

A station wagon, damaged in an accident, was sold by the Government for \$105.90. The purchaser at once resold it for \$510 to a man who sold it for \$675. The third man spent \$400 on it for repairs, and sold it for \$1,200 to a man who, in a few days, sold it for \$1,350. One of our most startling discoveries was the approval of an excessive payment of \$203,000 in commissions on the purchase of parts. The agreement to pay the commission was in the contract. Proper negotiation would never have allowed it to be in there.

In nearly every Government office, employees and visitor constantly note the extravagant use of long-distance telephone calls.

Public business appears to be a terrific emergency that cannot be attended to by mail. Since telephone calls, unlike telegrams, are unrecorded, usually one must take the employee's word that terrible things would have happened if he had used the mail instead of spending \$46.30 for a long talk with somebody in San Francisco. One excuse for so many long-distance calls is that it takes days to get an answer by mail.

So widespread and so flagrant are the examples of waste and incompetence in Washington that picking up examples is child's play. The Hoover Commission, Senator Byrd's Committee on Reduction of Non-essential Federal Expenditures, the House and Senate Committees on Expenditures, the investigating staffs of the Appropriations Committees, our General Accounting Office, and others, list them by the hundreds and total the waste in millions.

Mr. Hoover's investigators found that the total value of stock piles held by agencies is \$27,000,000,000. Some agencies have enough of some items to last 50 years. Reckless buying, of course, should be curbed.

Federal departments spend millions of dollars a year for printing and publications. Tons upon tons are finally sold as waste paper, while other quantities are stored at the expense of the Government. There are millions of obsolete forms which should be sold as waste but are still occupying valuable storage space.

The War Assets Administration offered for sale in 1945, 1946, and 1947, a Government-owned building in Baltimore, after first clearing with the Public Buildings Administration. During those years, other Government agencies paid out about \$1,000,000 for rental of less desirable space in the same area. The building was finally sold to a private person at a time when the Government Printing Office was paying over \$200,000 annually for equivalent, but less desirable, storage space in Baltimore.

Bureau heads are too often inclined to shrug off such examples as these by stating they are only rare exceptions and are far outweighed by the incalculable value of their work to the Nation. Bureau heads are tempted to become empire builders.

Though motivated by an honest belief in the importance of their work, back of it all, with some, is a desire for more power. Agency heads persist in believing that the more money they spend, the more employees on the pay roll, the more important they are. Rarely does one hear an agency saying, "The Government can't afford this."

What Thomas Jefferson said in 1802 (he had his troubles with bureaucrats, too) is a good thought for today: "Let us deserve well of our country by making her interests the end of all our plans and not our own pomp, patronage, and irresponsibility."

Reorganization efforts under the acts of 1939 and 1945 were hamstrung, in great part, because certain agencies were strong enough to get themselves exempted.

In 1945, full exemptions from any reorganization were granted by Congress to the Interstate Commerce Commission, the Federal Trade Commission, Securities and Exchange Commission, National Mediation Board, National Railroad Adjustment Board, and the Railroad Retirement Board. The civil functions of the Corps of Engineers of the United States Army—work on rivers and harbors, dams, flood control, irrigation, reclamation, etc.—were exempted. Certain restrictions were put upon the reorganization of the Federal Communications Commission, Federal Deposit Insurance Corporation, the United States Tariff Commission, and the Veterans' Administration. Those exempted agencies, today, employ 253,000 persons and spend billions of dollars a year.

Already, powerful forces have attempted to obtain special treatment for the National Military Establishment, the Interstate Com-

merce Commission, the Securities and Exchange Commission, the Federal Reserve Board, and Federal Trade Commission. Now, a great many Government agencies are doing first-rate jobs and should not be harassed. I do not pretend to judge the merits of any particular case, but I am sure of one thing—once the President is restricted by even one exemption, to that extent the plan will fail.

When James F. Byrnes was a United States Senator, speaking for the reorganization bill that became a law in 1939, he said, "I have yet to talk with reference to reorganization to one man in the Government service who did not make this answer: 'Of course, it should be done.' And then, when he joins the great old order of 'butterers,' he says, 'But do not touch my department.'"

When President Roosevelt came into office in 1933 he found a reorganization act that had been passed under the Hoover administration which gave him unrestricted power. He even could have abolished his Cabinet. While he consolidated a few bureaus, dozens of new ones were created. President Truman wants to accomplish a genuine reorganization, and he can do it if Congress gives him a chance, and the lobbyists, and the pressure groups, and the bureaucrats are thwarted. Congress has not given up its veto power over the President's actions. The current bill provides that: Each reorganization plan of the President must lie before Congress 60 days, and it will not go into effect if the two Houses of Congress join in a resolution turning it down.

Congressmen have favorite departments; pressure groups who are gaining favors support the bureaucrats who give them these favors. Lobbyists for certain functions and agencies inspire floods of letters to Representatives and Senators, and the letters, backed up by pleaders at hearings, violently protest any changes. Every bureau has backers to testify that it is absolutely essential, that it is operating efficiently and economically. Once one bureau is exempted, that will be the crack in the dam. "You exempted, such-and-such," the plea will be, "why shouldn't you exempt us?"

If the taxpayers rally to back up the President and Congress, we shall have, this time, a genuine reorganization, the mish-mash of Government can be cleaned up, the bushaxes and the meat cleavers can begin to swing. If we don't do it this time, we're through.

Responsible American Citizens—Their Job in National Politics

EXTENSION OF REMARKS

OF

HON. GEORGE D. AIKEN

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Tuesday, May 17 (legislative day of
Monday, April 11), 1949

Mr. AIKEN. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address entitled "Responsible American Citizens—Their Job in National Politics," delivered by me before the Fourth National Conference on Citizenship in New York City on May 16, 1949.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

RESPONSIBLE AMERICAN CITIZENS—THEIR JOB IN NATIONAL POLITICS

The cross currents of our national life and of world affairs are such that there was never

a more urgent need than now for American citizens to assume a responsible role in national politics.

Too often laymen take too lightly not only their responsibilities as citizens but also their job in national politics.

Whether we admit it or not the trend of events on the national political front shapes the course of our future welfare.

We have come to associate government with politics, and vice versa.

I am not speaking of politics in the narrow sense, but rather in the broad sense of government, involving the enactment and administration of laws.

It is a fact, nevertheless, that governmental policies are projected, tested, and weighed in the political arena. It is in the political arena that the spotlight is turned on the stand taken by parties and by candidates. It is in the political arena that citizens endorse or reject the policies espoused by parties and candidates.

As our Nation increases in population there is the danger that control of government may become further and further removed from the people. This danger takes on added significance when we realize that big government, by comparison with previous standards, is here to stay. Our Government is one of the largest enterprises on earth. The complexity of our domestic problems and our increased responsibility in international problems have given rise to greater centralization of government than we have heretofore experienced in this country.

The problem now is to keep Government from getting so big, so unwieldy, and so powerful that it will get out of hand. The best way to prevent this from happening, or from letting it topple of its own weight, is to streamline it and operate it efficiently. We must either mold Government and shape it so that it will serve the people or the time will come when the people will be serving the Government. So long as we have government somebody will be running it.

It is up to the citizens of the Nation to decide whether they want to take more responsibility in politics and have a say in how things are run, or whether they want to give centralization a free and unfettered hand. If the citizens make the latter choice, they can blame nobody but themselves for what happens.

I do not mean to disparage or belittle those whom some choose to call bureaucrats because I think nearly all Federal servants are honest, hard-working citizens truly seeking to improve their Government and their country. Let us keep them that way. Let's not tempt them by giving them too free a hand or too much power. Let us make them even more responsible and more responsive to the will of the people.

In considering this question of good citizenship, we should bear in mind that there is a vast difference between being just an American citizen and in being a responsible citizen. The responsibility that goes with citizenship in this country is what distinguishes democracy from totalitarianism. In the latter ideology, responsibility is usurped by the state and is not reserved to the citizen.

In the United States, we cherish the philosophy that the Government is responsible to the citizen instead of the citizen being responsible to the Government. This philosophy is inherent in our Declaration of Independence which held that "Governments are instituted among men, deriving their just powers from the consent of the governed." At the time that these words were written the rights of the citizen were little respected in the world. It was not popular or safe to even talk about the rights of the individual. To work for the founding of a government based upon the protection of such rights required the courage of deep conviction and fearless disregard for personal welfare.

Fortunately, our forefathers had the courage to found a Nation that was conceived in the spirit of freedom and nurtured by the ideal of democracy, where the rights of the individual still reign supreme.

Lincoln, in his Gettysburg Address, expressed the same philosophy when he said: "We here highly resolve that these dead shall not have died in vain—that this Nation under God shall have a new birth of freedom—and that government of the people, by the people, and for the people shall not perish from the earth."

The liberty and freedom which have been our proud heritage—and which have been kept alive by Jefferson, Lincoln, and the other towering figures of our history—are still the bulwark of our democracy. This is an inheritance that we must preserve and perpetuate, and never take for granted.

We must never get into the rut of accepting the privileges of being an American citizen without sharing the responsibility of that citizenship. The fact that we have grown into a Nation of great influence, with one of the highest standards of living the world has ever known, does not mean that the responsibility of the individual has diminished in any way. The individual is still the cornerstone of our way of life. To be a good citizen enlarges and enhances the scope of the individual. Being just a half-hearted citizen not only retards the development and growth of the individual but it also serves as a brake on the progress of the Nation.

The problem of fulfilling one's responsibility in the field of national politics is admittedly a challenging one and one that is not easy. It does not mean just dropping a ballot in the box every 2 or 4 years and then shifting the entire responsibility to those who receive the highest number of votes. It means almost daily study of the issues by each citizen so that conflicting viewpoints can be weighed, and public opinion formed, which will bring about proper decisions.

In order for public opinion to be intelligently formed, the people must have access to information upon which an intelligent opinion can be formed. Government itself must be made to assume its share of the responsibility for seeing to it that the citizens are frankly confided in and consulted with in the operation of the Government.

There have been many cases when our own Government has exceeded the bounds of security caution in withholding information from the people. How can the citizens of this country arrive at proper conclusions, no matter how much they try, if they cannot get the basic facts of a situation—or if the facts are one-sided or biased? The difficulty of obtaining basic information often arises in connection with foreign-policy issues, but is by no means confined to this field. Concealing expenditures, misinterpreting laws, using funds appropriated for other purposes for the spread of propaganda are other evils of government which grow progressively worse unless corrected by a generally aroused citizenry.

An aroused public opinion is the most potent influence in our democracy. That opinion, when marshaled, is the majority voice of the American people. An indifferent public permits the unscrupulous executive, political or pressure group to attain selfish objectives.

If democracy is to be strong, and meet the challenge of other forms of government, it must have an alert, intelligent, and unselfish citizenry. It is incumbent upon the citizens of a democracy to be well enough informed to see the proper relationship between the welfare of the individual and the welfare of the Nation.

I am fully cognizant of the citizen's responsibility to his community and to his State. It is entirely proper for him to ful-

fill that obligation. But that does not free him from his responsibility as a citizen of the United States.

Our Federal tax laws, our Federal courts are examples of our legal identity as citizens of the United States. Our obligations in the national political field, while not legally imposed, are equally binding if we discharge our duties as good citizens.

The reason the political decisions we make are so important is that these decisions influence and permeate our whole national life. We cannot segregate the political from the economic phases of democracy. A democracy cannot remain strong if the economic structure of the Nation is weak. Neither can the social problems of the Nation be partitioned off from the economic and political problems. Each must mesh with the other in the gears of democracy.

We know from our experience in the depression years of the thirties what it means to have people denied the opportunity of being useful citizens because of lack of employment, training, health, or morale. It is incumbent upon us as good citizens not to permit a repetition of that sad experience.

In world history if we ferret out the root of political upheaval, it is traceable in most cases to economic or social maladjustment. So the scope of the citizen's responsibility is broad. The challenge for him to keep informed, and to do something about what he knows and believes, is ever-present.

It is a sad spectacle to see a citizen, who might wield constructive political influence in the Nation, sit back and wait for his fellows to do the job. The first and foremost way to demonstrate that we are responsible citizens is to go to the polls and vote. We have never exercised anywhere near our voting potential in this country. In the last national election, the President of the United States was elected by only about one-fourth of the people who could have qualified as voters. By their failure to vote nearly 45,000,000 Americans have forfeited any full moral right to criticize the present administration of our Government.

Discussion of the topics of the day with our neighbors is another earmark of good citizenship. I am thankful for the privilege of growing up in the atmosphere of the New England town meeting. That is a tradition that Americans everywhere can well afford to emulate.

Group action, through affiliation with some worth-while organization, is almost a necessity in this day of bligness. The voice of the individual may be a voice crying in the wilderness unless it is backed by the force of numbers. I should like to sound this warning note, however. Careless citizens and careless groups can be used for bad purposes. The forces of evil do not dare to organize as such. They cannot afford to be open and above board. Their strategy is to bore from within, and thereby to use respectable fronts for less respectable purposes.

It is extremely important that good citizens and desirable groups be on guard against letting themselves be used to provide a cloak of respectability for schemers and plotters.

If you cannot take an active interest in the organization to which you belong you had better keep out of it.

I would also warn groups against the endorsement of resolutions without having accurate knowledge as to the content and real purpose of the petition. Sometimes chambers of commerce, and even State legislatures, endorse resolutions they do not know the full meaning of. In this day of organized groups, and a flourishing business in the lobbying field, it is difficult even for a Member of Congress to separate the wheat from the chaff. There are so many pressures and so many viewpoints.

No one can tell how many groups are formed for the purpose of giving lucrative

jobs to enterprising and sometimes unscrupulous men. These men frequently organize and solicit funds on a commission basis, establish lucrative incomes for themselves, and make sure that the purpose for which the organization is ostensibly set up is never quite achieved. Very busy businessmen are sometimes the most susceptible victims in this field of questionable group operations.

The problem of the legislator is to weigh the different viewpoints, in the light of the national welfare, and then decide how to vote. I may say that it is a soul-searching experience in deciding how to vote on vital and controversial issues.

Of course, if the legislator is too often at variance with his constituents in his stand on these issues, his exit from the political scene is a very likely consequence.

One of the most important problems confronting the responsible citizen is to be able to draw the line between vested local, and perhaps personal, interests and the national welfare. This problem is particularly noticeable in connection with matters involving money. There is a tendency for each group or each class of petitioner to want all it can get, apparently with little or no thought that somebody has to pay for it. The theory seems to be that everybody is getting, so let's insist on our turn at the grab bag—the grab bag in this case being the Federal Treasury. This is a dangerous trend. We should realize that, in the long run, we get only what we pay for.

If we, for very long, get more than we pay for that means deficit financing and increased national debt. We cannot build a lasting nation on the sands of paternalism. To help maintain a solvent and responsible Nation? Government is a cardinal requirement of good citizenship. In all that we do, in all that we strive for in our role as good citizens, let us not sacrifice liberty and freedom on the altar of expediency or selfishness. Let us remember that liberty and freedom are not only to be talked about but also to be lived.

The seeds of good government are always rooted in the fertile ground of responsible citizenship. We are not just citizens of a State or political subdivision; we are citizens of the United States. National politics is the medium through which American citizens can work in building a stronger, happier, and better nation. It is through this medium that we can meet the challenge of assuring "one Nation indivisible, with liberty and justice for all."

There is no other nation on earth where the individual has as many privileges and as much responsibility as has the American citizen. To realize and appreciate this is the first step toward becoming a responsible citizen. From this realization will come the inspiration and the impelling desire to keep America, as a Nation, strong politically, economically, and morally.

That is our job in national politics.

A Tribute to Norway

EXTENSION OF REMARKS OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Tuesday, May 17 (legislative day of
Monday, April 11), 1949

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a tribute to Norway, paid by me on this day, May 17,

cles, acting in cooperation where jurisdictional lines are transcended, can do such a job," he told the conference.

Following the Governor, Northcut Ely, general counsel for the association, spoke on the proposed central Arizona reclamation and power project.

He warned that Californians would have to pay for most of the project through contracts for the power output, although \$400,000,000 of the \$738,000,000 project would be spent on irrigation in Arizona.

Irrigators, he said, are unable to pay the capital costs of construction, so the project will be paid from a 60 percent sales tax on the power. Arizonians can use one-third of the power. California will have to take the rest.

"This is particularly obnoxious because California public power users are thus blandly expected to pay for an Arizona aqueduct which will take water already claimed by California, and on which California works, already built, are dependent," he said.

The delegates were welcomed by Mayor Fletcher Bowron, who spoke proudly of the city's publicly owned water and power utility, describing it as the world's greatest municipally owned enterprise. It has been responsible, he said, for the growth and development of the city.

The association's president, Maj. Thomas H. Allen, Memphis, Tenn., complimented the work of E. F. Scattergood of the Los Angeles department of water and power for his pioneer work in the formation of the National Municipal Utilities Association.

Another speaker was L. J. Richardson, president of the Washington Public Utility Commissioners Association. Public power developments on the Skagit and Columbia Rivers in his State, Richardson said, made possible the Northwest's great industrial growth.

Keen Johnson, Louisville, Ky., spoke of the superiority of aluminum cable for electric power transmission, saying it had the advantages over copper of being lighter, cheaper, and capable of taking greater stress.

Cooperative Forestry Programs

SPEECH

OF

HON. JOHN JENNINGS, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, May 16, 1949

The House had under consideration the bill (H. R. 2296) to amend and supplement the act of June 7, 1924 (43 Stat. 653).

Mr. JENNINGS. Mr. Speaker, I shall support this measure. It is a much-needed step in the conservation of our forests and their restoration and will result in great good to the people of the entire country.

The bill H. R. 2296 reported to the House by the Committee on Agriculture, authorizes cooperative forestry programs between the Federal Government and the various States in the procurement, production, and distribution of forest-tree seed and plants to establish forests, windbreaks, shelter belts, and farm wood lots upon denuded or nonforested lands in States which cooperate with the Federal Government on a 50-50 basis under the program established by this act. One million dollars to carry out the provisions of the act is appropriated for the fiscal year ending June 30, 1950; \$1,500,000 for the fiscal year ending June 30,

1951; \$2,000,000 for the fiscal year ending June 30, 1952; \$2,500,000 for each subsequent fiscal year.

The proposed act declares it to be the policy of Congress to encourage the development and maintenance of adequate forest resources essential to national defense, employment, and national prosperity.

The Secretary of Agriculture under the terms of this act is authorized to cooperate with public and private agencies and persons in obtaining assistance to carry out the purposes of the act.

The people of this country are beginning to realize as never before that we must conserve our soil, our water, our timber and all other natural resources that make human life on this earth possible. I can remember when the greater portion of my native county of Campbell's heavily timbered tracts of land were virgin forests, when the surface of her coal fields had not been scratched, when if a field had become eroded and was no longer productive, the usual procedure was to abandon this field and clear new ground. That day is past. Our virgin forests have been cut and sawed into lumber. Many of our coal mines have been exhausted, and fields that were once fertile and productive have been in many instances abandoned. In the face of these conditions, no other people in all Tennessee have matched the efforts of the public spirited citizens of Campbell County in reforesting her cut-over lands. I have read with interest of the recent celebration at which public officials and public-spirited citizens of Campbell County planted the eight millionth tree on the court house lawn at Jacksboro. A young white pine was planted on the lawn of the court house by William Perkins, a World War II veteran who was chosen because he had helped to plant some of the first trees in the county as a member of one of the numerous CCC camps when the work was started some 12 years ago. The total land area of this county is 286,000 acres and 8 out of every 10 of these acres are forest lands.

Because of the great abundance of minerals, food, wood, water and wildlife which originally existed on this earth, men have taken them for granted without any thought that the time might come when these great sources of human life were reduced through the waste and destruction of man until their disappearance would threaten human life on this earth. Most of the continents of the world are face to face with a serious depletion of natural resources. More than one country is bankrupt. Bankruptcy in the natural resources of productive soil, forests, water and wildlife has heretofore wiped out civilizations and millions of people. We cannot escape such a fate unless we begin with might and main and with intelligence to restore our waste places and to conserve the soil and water, the timber and the animal life which we have left.

The fertility of much of the earth, through the ignorance and mistreatment of mankind, has fallen to such an extent that what 1 man in an hour of labor could formerly produce now requires 10, 50, or even 100 man-hours of labor. You

need only to travel through any part of this country to see scattered saw timber where once were virgin forests and exhausted, abandoned old fields which once were fertile and capable of producing crops. This is true of the grazing lands of the West.

It is not enough to improve political and economic systems; we must improve, conserve and wisely use the land out of which everything we use is derived. From the land and from the sea we obtain our food, our clothing and our shelter. Men in every walk of life, on the farm, in the office, in the shop, behind the counter, in our armed forces, in our schools, in government, must realize the dependence of man on his environment. These facts have been stressed by one of the wisest men in this country, Bernard M. Baruch, in a word of introduction to a book entitled "The Road to Survival," which recently came to my desk. The truths set forth in this book are based upon human history and the experience of mankind for 3,000 years.

Secretary of Defense Johnson Emphasizes the Importance of Small Business in the National Defense Program

EXTENSION OF REMARKS OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 16, 1949

Mr. PATMAN. Mr. Speaker, in an address before the annual meeting of the chamber of commerce, at the Statler Hotel, Washington, D. C., on May 5, 1949, Secretary of Defense Louis Johnson spoke of the importance of small business in the national defense program. Since the volume of the procurement of the National Military Establishment will continue to be of such magnitude as to have a marked effect on the American economy, it is very reassuring to hear the comment from Secretary Johnson that small business will receive consideration in that procurement. Here are some excerpts from his remarks which will be of interest to the Members and to the friends of small business:

SMALL BUSINESS—OUR BASIC SAFEGUARD AGAINST THE DANGERS OF STATISM

Those of us who are engaged in the business of national defense realize that a sound program of preparedness calls for the utilization of our entire productive business system—big business and little business.

We have big business. We need big business. We can thank our lucky stars that we had mills and plants big enough to handle the big war production jobs of basic metals, and to mass produce and assemble such large items as tanks, and trucks, and ships, and planes.

We have small business too, and they too played a vital role in the victory. For them we can thank the wisdom of our forefathers whose political economic system made possible the establishment and healthy growth of hundreds of thousands of these smaller units, the so-called "small business" of America.

These hundreds of thousands of small businesses, scattered throughout our land, together with our millions of independent farmers, are the essence of our democracy—they are our basic safeguard against the dangers of statism. It is high time that those few power-seeking and merger-mad corporation officials in our midst realize that the enemies of our economic system are gambling on a hope that American big business, by concentrating more and more economic power in fewer and fewer business enterprises, will finally drive us into some form of the corporate state which can readily be seized by a small group of ruthless men to spell the death knell of freedom.

The National Military Establishment appreciates the value of small business to our whole economy and to production of military items particularly and is bending every effort to have it share in its defense program. Let me tell you what we are doing to get orders for small business.

But first, what is small business?

The Military Establishment accepts the definition in the Selective Service Act of 1948, which says a business is small if it does not occupy a dominant position in the trade or industry of which it is a part, if the number of its employees does not exceed 500, and if it is independently owned and operated.

Under this definition 99 percent of the 4,000,000 American business enterprises of all kinds would be classified as small. Since we in the National Military Establishment are interested primarily in production, let us take a look at the industrial business population.

DISPERSED INDUSTRY—A NECESSITY IN ATOMIC WAR

There are approximately 320,000 manufacturing plants in the United States. Again, approximately 99 percent of them are small.

The workers in these small businesses comprise 65 percent of all manufacturing employment. They produce 62 percent of the total industrial output.

You will find these small plants in many industries and widely dispersed all over the country. More and more of them are moving to the outskirts of large metropolitan areas or to towns which were formerly only shopping centers in agricultural regions. Their very dispersion offers a special incentive in an atomic age for giving procurement orders to small business.

None of us wishes war, but we must prepare for all contingencies. And if war does come and it proves to be an atomic war, we must assume the big industrial centers of our country will be among the first targets. The main burden of producing war material will then fall on the smaller plants which are scattered in the smaller cities and towns. It is therefore good procurement planning for peace or war to give orders to small business now. In this way we will be developing our potential national assets, strengthen ourselves defensively and alleviate the evils of the huge overcrowded industrial city—and award more and more contracts to the backbone of our free enterprise system, the small-business man.

The National Military Establishment is interested in small business because it wants to know that the productive capacity of all plants, including the small, is available. It is interested because it feels that small business is one of the institutions we Americans believe in and want. We must not forget that practically every American business in existence today once started as a small business.

SALESMANSHIP—NOT INFLUENCE, NEEDED

The National Military Establishment is proud of its record with small business. We are not saying that our procurement equals, exceeds, or falls short of being a fair proportion which is the goal we are seeking. That term has never been defined. We can say, however, that it is substantial.

As I have been talking about the billions being spent for national defense, some of you undoubtedly have been thinking, "Why am I not getting some of that business?"

The fault is not with us. The Army, the Navy, and the Air Force want more companies to do business with us. They tell them so—the Navy in its pamphlet, *Selling the Navy*; the Army in its booklet, *Purchased Items and Purchasing Locations*; the Air Force in its Guide for Selling to the United States Air Force; and the Munitions Board in its guide on Military Government.

Getting business from national defense is a selling job. Far be it from me to give this group of past masters of salesmanship a lecture on the art and science of selling. You know far better than I that its main points are knowing what the customers want, how and where they buy, and then showing how your product fills their needs, when and where they exist.

The salesman who performs these functions, be he owner, employee, or bona fide sales agent of a manufacturer, is always welcome because he renders a valuable service to the National Military Establishment.

But there are others who prostitute the profession of salesmanship who seek to convince the small-business man that only by buying through them can he get orders from the Government. To the small-business man I must emphatically say, "That is not so. There is no need for special brokers, for 15-percenters, for 10-percenters, for even 5-percenters. There is no need for anyone to intervene between small business and the Government to procure Government contracts."

And to those who claim to sell influence at the right spots I say, "We will drive you out of the National Military Establishment." And let those who engage in questionable brokerage activities heed this warning.

Let me repeat: There is no need to have any broker between small business and the Government to procure Government contracts.

The Army, Navy, and Air Force with the cooperation of the Munitions Board, are intensifying their efforts to make certain that every manufacturer knows how to do business with the National Military Establishment, what is being bought, and what offices do the buying.

Our coordinated procurement program is designed to expedite selling. Of course, the objective is increased efficiency in military procurement, but when the responsibility for buying total military needs in certain items is placed in either the Army, Navy, or Air Force, the results should be good. Right now the Munitions Board is studying the efficacy of this program. Many businesses have indicated that they like our coordinated procurement operation; but one purpose of the Munitions Board survey is to determine its acceptability to small business. Eighty percent of all procurement is now coordinated through the Munitions Board. We are planning for an all-out effort to assure the national interest—if war is ever forced upon us. Knowing the nature of our potential enemies, anything short of an all-out effort would be criminal; it would be suicidal.

And the greater the all-out effort; the more important small business becomes.

FLEXIBILITY OF SMALL BUSINESS PAYS OFF

There is a special role for small business which I particularly want to stress. These small businesses are often the firms that can produce the last 10 percent which may spell the difference between victory and defeat.

Say we need 100 items. Our regular sources can produce 90. Ten more are needed for successful operations. We cannot wait for our major suppliers to expand or reorganize their production lines. We have to get the goods and get them quickly.

Here is where the flexibility and organizational simplicity of small business pays off. Frequently, these small businessmen can get

production on the needed 10 percent while a big company is tooling up.

Out-of-pocket expenditures may be higher for that fraction. In time of war we might have to pay more. But in many cases costs might be less. In any event, in terms of the benefits obtained it would be cheap.

I have heard rumors that small business believes that the National Military Establishment is confining its industrial mobilization planning to a few large companies. These are unwarranted. Let me give you the facts.

The Munitions Board and the three Departments have an industrial capacity allocation program. They are developing specific and realistic production schedules for a substantial number of manufacturing facilities. At present 22,000 have been cataloged, 17,500 of these are small business.

Small businessmen may need special help when we call on them for all-out war production. They will encounter technical, managerial, engineering, research, and financial problems which never occur in their normal peacetime operations. How far any outsider, even the Government, can or should go in helping them is a serious question. We are developing plans to review this entire area. You can be sure that in this inquiry we will seek the advice of industry and finance, and particularly that of small business.

In emphasizing our policies to make the maximum use of small business I want to point out that we are not unaware that additional burdens may be put on the three Departments to place orders, supervise, inspect, and store. That is a burden I think we all will recognize as warranted and which the Departments will gladly accept in the case of maintaining free enterprise and in order to keep our economy in diversified shape against any possible emergency.

Republican Paper Admits Frequently Critical of President Truman, but Compliments Him Also on Reorganization Emphasis

EXTENSION OF REMARKS OF

HON. CLYDE DOYLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1949

Mr. DOYLE. Mr. Speaker, the following editorial, appearing in the Long Beach Press-Telegram, Long Beach, Calif., Wednesday, May 11, 1949, is deserving of the utmost consideration by all Americans. I hope that every colleague in the Congress will read it:

FOR REORGANIZATION

This newspaper frequently is critical of President Truman, but credit is due him for his message to Congress this week urging quick passage of a bill giving him power to reorganize the executive agencies of the Government. One such bill already has passed the House. A slightly different version still is pending in the Senate.

As Mr. Truman pointed out, the proposed legislation requires that any reorganization plan he submits must, before becoming effective, lie before Congress for 60 days without disapproval. Hence, there will be no reorganization this year unless Congress acts quickly.

Members of Congress may reply that if Mr. Truman had been less belligerent in his dealings with that body, the present legislative stalemate would not exist. Nevertheless, his

latest request is legitimate. The only controversy over the reorganization bill concerns details. As passed by the House, the bill exempts certain agencies. The Senate version would exempt none. While the Senate proposal is preferable, it would be better to pass the House measure than none at all.

Mr. Truman also acquits himself well in recognizing the Hoover Commission's recommendations as a "landmark in the field of government organization." The real test of his attitude toward the Commission, however, will come when the President and his staff draft specific reorganization orders. If they follow the Commission's suggestions, large savings can be effected with an improvement in efficiency. Congress should give the President an immediate opportunity to show what his intentions are.

The last sentence of the editorial, however, reading: "Congress should give the President an immediate opportunity to show what his intentions are" leads me to just briefly make the observation that I increasingly feel it is not constructive of our American way of life when the opposition political party, or its leaders, or papers who support the opposition party theory of government, always have to end their compliments to the President of the United States with a reservation as to his actions being in good faith or his intentions being what he says they are.

The records will show that President Truman not only considered it an honor but a privilege to name former President of the United States, Herbert Hoover, as Chairman of this strategic Commission on the Reorganization of the Executive Agencies of the United States Government. Furthermore, the records speak out clearly that President Truman has on many occasions complimented the Hoover Commission for the work it has done. The other day he sent a special message to the United States Congress commending the achievements of the Hoover Commission.

The studies under Mr. Hoover's direction have cost the taxpayers hundreds of thousands of dollars. It certainly is not constructive of the democratic processes of the American way of life for the leading political opponents to always throw into the thinking of the American people doubts as to the good faith or sincerity of the declared intentions of the leaders of our public affairs. Why not wait until there is clear evidence to substantiate and prove a point instead of, in advance, throwing the fear of insincerity and poor faith or lack of good faith into the thinking of the people. For, Mr. Speaker, if the Democratic Party leadership of our Nation habitually throws an emphatic element of doubt of good faith or appraises the action of Republican leadership as always in bad faith or lack of good faith, then that sort of action is weakening and is not constructive. And, in like manner, if the Republican leadership or if the Republican newspapers habitually disseminate into the thinking of Americans a feeling of mistrust or of lack of good faith or of lack of sincerity toward the President of the United States—no matter which party he may be elected from—then in whom are the just ordinary, plain Americans to have faith and have confidence of the sincerity of their intentions.

I do not add these comments or remarks in any thought of criticism of this splendid editorial, but I add them in the hope that they will be constructive toward the thinking of those who may read both the splendid editorial and my humble remarks.

The Eighty-first Congress — First Session—First Report—Record and Forecast

SPEECH

OF

HON. JACOB K. JAVITS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 12, 1949

Mr. JAVITS. Mr. Speaker, the first session is well past the half-way mark and it is a good time to survey where we stand. It is fair to state that this Congress started with broad expectations of action, especially in the field of social welfare; yet only two major pieces of legislation have been completed with resulting Presidential approval making them law—the Housing and Rent Act of 1947, extended by Public Law No. 31; and the Economic Cooperation Act carrying the authorization for another year's continuance of the European Recovery Program, Public Law No. 47.

Other major legislation, on the repeal of the Taft-Hartley law, increase of the minimum wage, housing, antipoll tax, and FEPC remain in different stages of the legislative process. There has not even been a single major appropriation bill brought to conclusion and approved into law. Action on other measures of great importance to our people relating to health and social security are even further behind in the legislative process. It is fair to say that a Congress with a majority elected on what most of our people considered to be a mandate for a program of social welfare turns out to be so far a Congress of frustration. I have diligently devoted my efforts to trying to break this log jam and to trying to get legislation enacted which the people want and should have.

RENT CONTROL

The Housing and Rent Act of 1949 extends rent control for 15 months to June 30, 1950. I took a most active part in the enactment of this legislation and testified before the House Committee on Banking and Currency, besides offering various important amendments to the bill as originally introduced.

The beneficial changes in the law may be briefly summarized as follows:

First. Certification of services. This new feature of the rent-control law was sponsored by me and requires for the first time a sworn certification by the landlord that he is maintaining all services to tenants as a condition to obtaining a rent increase. This is the most salient feature of the new rent law and will undoubtedly redound to the benefit of all tenants in our district and in the country. One of the most serious complaints

which has come to my attention has been the fact that landlords have been filing for and receiving increases of rent while tenants complained the services they have been receiving have been reduced substantially. For the first time, tenants will be assured of adequate services if the landlord seeks an increase of rent. Nor does this prevent tenants from seeking proper redress as they could before, in the event of a decrease of services even though the landlord does not apply for a rent increase.

Second. Fair net operating income: Instead of the former hardship provisions of the rent regulations, the Housing Expediter has set a formula with which the landlord must comply in order to seek relief. The landlord will have to submit records to show that he is not earning a fair income from his property rather than compare his current income and expenses with previous years.

Third. Evictions: Tightened eviction controls were restored to the Housing Expediter for the first time to 2 years. In New York we have had a temporary city rent commission in this connection and now there are controls both by the city and the Federal Government so that the tenants get greater protection against improper evictions.

Fourth. Tenants' right to appeal: For the first time in the history of rent control the tenants have been granted the absolute right to appeal from any orders issued by a rent office. This fundamental constitutional right should give every tenant who feels that an erroneous decision has been made in his case more assurance.

Fifth. Treble damages: The Housing Expediter is once again authorized to bring action for treble damages on behalf of tenants. The tenants, of course, still have the right to bring their own action, in which event, the court is to award court costs and counsel fees besides treble damages.

Sixth. Decontrolled apartments: Apartments which were formerly decontrolled because of the termination of voluntary leases between December 31, 1947, and April 1, 1948, are back under control at the lease rental. Apartments which were decontrolled because they had been vacant for a 24-month period between February 1, 1945, and March 30, 1948, or had been occupied or rented to a member of the landlord's immediate family are now recontrolled. As a result, many tenants who have been paying very high rentals because apartments had been decontrolled will now have their rents reinstated at rentals which prevailed prior to the decontrol ruling.

Permanent residents in nontransient hotels are now back under control with the ceiling rent fixed as of March 1, 1949. Most of the present rents for these hotels were fixed by the New York City Temporary Rent Commission but now Federal controls will protect the tenants.

Seventh. Converted dwellings: So-called conversions by landlords as a result of which additional housing accommodations are created are now subject to examination and approval by the Rent Office before decontrol takes effect. Under the previous laws if a landlord

claimed he converted a housing accommodation into additional units, he declared himself decontrolled; now he must establish that it was a real conversion and that additional housing has resulted.

In order to protect the people of my district, I have expanded the facilities of the Congressional Rent Clinic, which has helped more than 4,000 residents of the district, so that branches will be operated throughout the district. Due to the overwhelming requests for assistance, this service is being expanded. I am gratified by the very favorable response received during the past 2 years as a result of the work of this Rent Clinic, and express, too, my profound appreciation for the public spirited group of lawyers in my district rendering this public service without fee under the direction of Hyman W. Sobell, Esq., Chairman of the Congressional Rent Clinic.

HOUSING

Housing continues to be our No. 1 domestic unsolved problem. Together with nine other Members of the House of Representatives I have sponsored a comprehensive housing bill providing for the construction of 800,000 federally assisted low-rent housing units—public housing—a \$1,500,000,000 slum-clearance program, \$3,000,000,000 in direct, very low interest loans for the construction of housing units for families in the lower-middle-income brackets and opportunities for rural nonfarm and farm housing. The minimum estimate is that under this bill the construction goal of 1,500,000 new home units per year would be made possible.

The Senate has already passed a public-housing and slum-clearance bill and I am now exerting every effort in cooperation with national civic and veterans' organizations to bring about housing action for all income groups in the House of Representatives. Public housing and slum clearance will pass, but there must be action, too, for the middle-income groups ineligible for public housing, now priced out of the market both for sale and rental. A national housing bill failed to pass on two previous occasions in the House since World War II after passing the Senate. The climate for the enactment of housing legislation in this session of Congress, especially for public housing and slum clearance is the best that it has been since 1937. The catastrophic emergency remains as great as ever, with over 2,500,000 families, largely those of veterans in the middle-income group, living doubled up with their relatives or friends and as many more living in substandard accommodations.

HEALTH AND EDUCATION

Two other critically important fields of social welfare await action by the Congress—legislation accepting the national responsibility for health, and providing Federal aid to education.

The President's health plan has been offered in the form of a compulsory payroll tax like the social security and unemployment insurance taxes for which medical and hospital services and eventually dental and nursing services are promised. Coverage is to be provided for over 80,000,000 Americans paying a pay-roll tax of 3 percent, one-half each

from employer and employee, on wages and salaries up to \$4,800 per year. Opposition on the part of the medical profession continues unabated. It is a fact that our country enjoys a very high quality of medical service today considering the standard of medical care in other countries. It is important, therefore, that the quality remain high when the quantity is increased, for it is also very important to remember that millions of our citizens are deprived of adequate medical care because of cost or because of geographical location in rural areas not now adequately served by medical facilities.

I have stated before and it continues to be my position that I shall support the acceptance by the Government of the national responsibility for the people's health. It must be made possible within this framework to provide for increased hospital and medical care for our people, and at the same time not to mislead them with glittering promises of immediate large-scale services which cannot be performed; it being well recognized that serious shortages of doctors, dentists, and nurses, of hospital beds and of laboratory and diagnostic facilities, especially in rural areas, must be made up before that complete medical service can be made available which our people should have.

Federal aid to education has won many friends in the last few years. I have always advocated it and continue to advocate it. The bill already passed by the Senate appropriates \$300,000,000 to assure a minimum level of education in all the States, supplementing State funds with Federal grants based on State per capita income. It is important in connection with Federal aid to education to be sure that each State is doing the limit of what can be expected of it for itself. It is also important to see that the emphasis remains on the maximum education for all our people, rather than to use this legislation to centralize authority over our educational system in the Federal Government or to regulate State educational systems meeting fair standards.

LABOR-MANAGEMENT LEGISLATION

The heated controversy over the Labor-Management Relations Act of 1947—the Taft-Hartley law—has not been disposed of, a stalemate having developed in the House of Representatives.

I originally voted against the Taft-Hartley law and was pledged to its repeal. I joined in the fight in the House of Representatives for this purpose, and voted against the Wood substitute as an effort to maintain the essentially punitive basis of Taft-Hartley by another name—an act which has evoked such violent protest from the 16,000,000 hard-working, law-abiding Americans who are union members. Our fundamental objective must be to see that collective bargaining between employers and employees remains and is conducted fairly, but with the least Government interference; save the right of the Government to cope with national emergencies due to labor conflict in the interests of the Nation as a whole, but without the use of labor injunctions.

Other fundamental issues with respect to labor are the increase of the minimum wage and the enactment of a Fair Employment Practices Commission law.

We should also expand the protection for employees made available by the Fair Labor Standards Act, as the act has been restrictive in its operations thus far. It is proposed to add employees in hotels, in transportation, in large retail trade and other categories. I am engaged in studying carefully this expansion of coverage. The cost of living and the general economic level of our country certainly dictate an advance to a minimum wage of 75 cents per hour as a fair one and I shall support such advance.

FEPC legislation, which has operated so successfully in New York, is long overdue. It is a crying shame that in our country there is no Federal law to prevent discrimination in economic opportunity on account of race, creed, or color. Our constitutional democracy suffers at home and abroad from the absence of this legislation. We give thereby a powerful propaganda weapon to Communist forces seeking to discredit our system.

I have offered an FEPC bill myself, H. R. 192, and have testified in support of it before the House Committee on Education and Labor. I have joined and will continue to join without reserve in the struggle for one of the great privileges of our democracy for all people, regardless of their color, their national origins, or their religious faiths—freedom of job opportunity to the limit of their abilities—and I am convinced that a realization of this goal can be enormously advanced by the enactment of a fair-employment practices law.

NATIONAL THEATER, OPERA, AND BALLET

While we seek to improve and to develop our economic life, it is also important that we develop our social and cultural life. We are seeking a healthy citizenry with sufficient time for recreation, and fair compensation for our working people so that they may enjoy the satisfactions of which our industrial system is capable. Accordingly, I have offered and worked hard for a bill to ultimately bring about the establishment of a national theater, opera, and ballet, and a bill to help our youth avoid the pitfalls of juvenile delinquency.

The national theater bill has evoked a tremendous country-wide response. People everywhere have enthusiastically endorsed the aim to establish facilities for national theater, opera, and ballet and to make them available to the tens of millions of Americans who cannot enjoy these arts because it is commercially unprofitable for the producers in New York to bring them to the country. In addition, university theater groups, little theaters, community theaters, local symphony orchestras, little opera companies, music workshops, and a host of similar artistic endeavors need encouragement and help in the Nation.

The national youth-assistance bill which I introduced has also evoked great public interest. It seeks \$50,000,000 to assist States, municipalities, and social-welfare organizations in their activities for prevention of juvenile delinquency.

Larcade
Latham
LeCompte
LeFevre
Lemke
Lesinski
Lind
Lodge
Love
Lyle
Lynch
McCarthy
McConnell
McCulloch
McDonough
McGregor
McGuire
McMillan, S. C.
McMillen, Ill.
Mack, Ill.
Mack, Wash.
Magee
Mansfield
Marsalis
Martin, Iowa
Martin, Mass.
Mason
Merrow
Michener
Miles
Miller, Calif.
Miller, Md.
Mills
Mitchell
Monroney
Morris
Morton
Multer
Murray, Tenn.
Murray, Wis.
Nelson
Nicholson
Nixon
Noland
Norblad

Norrell
O'Hara, Minn.
O'Konski
O'Neill
Passman
Patten
Patterson
Peterson
Phillbin
Phillips, Calif.
Phillips, Tenn.
Poage
Polk
Potter
Poulson
Powell
Preston
Price
Priest
Rains
Rankin
Redden
Reed, Ill.
Reed, N. Y.
Rees
Regan
Rhodes
Richards
Riehlman
Rivers
Rodino
Rogers, Mass.
Sadlak
St. George
Sanborn
Sasser
Scott, Hardie
Scrivner
Scudder
Shafer
Sheppard
Short
Sikes
Simpson, Ill.
Sims

Smathers
Smith, Kans.
Staggers
Stanley
Steed
Stefan
Stigler
Stockman
Sullivan
Sutton
Taber
Tackett
Talle
Tauriello
Teague
Thomas, Tex.
Thompson
Thornberry
Tollefson
Towe
Trimble
Van Zandt
Velde
Vursell
Wadsworth
Walter
Welch
Welch, Mo.
Werdel
Wheeler
White, Calif.
Whitten
Whittington
Wickersham
Wier
Wigglesworth
Williams
Willis
Wilson, Okla.
Winstead
Withrow
Wolcott
Wolverton
Woodruff
Zablocki

NAYS—49

Addonizio
Brooks
Buchanan
Buckley, Ill.
Cannon
Carnahan
Chesney
Christopher
Dawson
Doyle
Eberharter
Gordon
Granger
Green
Hart
Heffernan
Karsten

Kean
Kelley
Keogh
Linehan
McGrath
McKinnon
McSweeney
Madden
Marcantonio
Marshall
Miller, Nebr.
Morgan
O'Brien, Ill.
O'Brien, Mich.
O'Hara, Ill.
O'Sullivan
O'Toole

Perkins
Quinn
Rabaut
Ramsay
Ribicoff
Sabath
Spence
Vorys
Wagner
Walsh
Welch, Calif.
White, Idaho
Worley
Yates
Young

NOT VOTING—64

Arends
Bonner
Boykin
Buckley, N. Y.
Canfield
Case, S. Dak.
Chatham
Clevenger
Cooley
Crosser
Curtis
Davis, Tenn.
Dingell
Dolliver
Doughton
Durham
Felghan
Gilmer
Gregory
Gwinn
Hall
Edwin Arthur Pfeiffer
Herlong

Hull
Irving
Jensen
Jonas
Kee
King
Lichtenwalter
Lucas
McCormack
Macy
Mahon
Meyer
Morrison
Moulder
Murdock
Murphy
Norton
Pace
Patman
Pfeiffer
Joseph B.
William L.

Pickett
Plumley
Rich
Rogers, Fla.
Rooney
Sadowski
Scott, Hugh D., Jr.
Secrest
Simpson, Pa.
Smith, Ohio
Smith, Va.
Smith, Wis.
Taylor
Thomas, N. J.
Underwood
Vinson
Whitaker
Wilson, Ind.
Wilson, Tex.
Wood
Woodhouse

So (two-thirds having voted in favor thereof) the bill was passed, the objections of the President to the contrary notwithstanding.

The Clerk announced the following pairs:

General pairs until further notice:
Mrs. Woodhouse with Mr. Arends.
Mr. Morrison with Mr. Canfield.
Mr. Irving with Mr. Dolliver.
Mr. Gregory with Mr. Lichtenwalter.
Mr. Gilmer with Mr. Macy.

Mr. Pickett with Mr. William L. Pfeiffer.
Mr. Chatham with Mr. Rich.
Mr. Bonner with Mr. Simpson of Pennsylvania.
Mr. Feighan with Mr. Taylor.
Mr. Moulder with Mr. Clevenger.
Mr. Murphy with Mr. Hugh D. Scott, Jr.
Mr. Whitaker with Mr. Plumley.
Mr. Vinson with Mr. Smith of Ohio.
Mr. Wood with Mr. Smith of Wisconsin.
Mr. King with Mr. Gwinn.
Mr. Underwood with Mr. Edwin Arthur Hall.

The result of the vote was announced as above recorded.

CHANGE OF CONFEREES ON GOVERNMENT REORGANIZATION BILL

The SPEAKER laid before the House the following communication, which was read by the Clerk:

MAY 18, 1949.

Mr. SPEAKER: On account of previous engagements over the week end I will not be in Washington and I have asked of my chairman, Mr. Dawson, that another be selected in my place as conferee on the reorganization bill, H. R. 2361.

Thanks for your consideration.

I am,

Respectfully,

ROBERT F. RICH.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

The SPEAKER. The Chair appoints the gentleman from South Dakota [Mr. Lovre] as a substitute conferee; and the Clerk will notify the Senate of the change.

COMMITTEE ON EDUCATION AND LABOR

Mr. POWELL. Mr. Speaker, I ask unanimous consent that the Subcommittee of the Committee on Education and Labor considering the bill H. R. 4453 may sit during general debate during sessions of the House this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mr. WOODRUFF asked and was given permission to extend his remarks in the Appendix of the RECORD and to include therein an address by Mr. Clark L. Brody, executive secretary of the Michigan Farm Bureau.

Mr. BURDICK asked and was given permission to extend his remarks in the Appendix of the RECORD and include a statement in regard to payments to retired Army men.

Mr. LANE asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter from a constituent.

Mr. MITCHELL asked and was given permission to extend his remarks in the Appendix of the RECORD and include two letters.

Mr. McKINNON asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article appearing in the newspaper.

Mr. DAVIS of Georgia asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper article.

Mr. VAN ZANDT asked and was given permission to extend his remarks in the Appendix of the RECORD on the subject

of shortage of doctors in the Department of National Defense.

Mr. SABATH asked and was given permission to extend his remarks in the RECORD in two instances; in one to include an article from the Chicago Daily News on conditions in the country, and in the other a speech delivered by the Honorable James Farley to the Boys' Club in Chicago.

JOINT COMMITTEE ON LOBBYING ACTIVITIES

Mr. SABATH, from the Committee on Rules, reported a privileged resolution (H. Con. Res. 62, Rept. No. 612), which was referred to the House Calendar and ordered to be printed.

Mr. SABATH. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Concurrent Resolution 62.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That there is hereby established a joint congressional committee to be known as the Joint Committee on Lobbying Activities (hereinafter referred to as the committee), which shall be composed of seven Members of the Senate to be appointed by the President of the Senate and seven Members of the House of Representatives to be appointed by the Speaker of the House of Representatives.

SEC. 2. A vacancy in the membership of the committee shall not affect the power of the remaining members to execute the functions of the committee, and shall be filled in the same manner as in the case of the original appointment. The members of the committee shall select a chairman from among their number. The members of the committee shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties as members of the committee, other than expenses in connection with meetings of the committee held in the District of Columbia during such times as the Congress is in session.

SEC. 3. It shall be the duty of the committee—

(1) to make a full and complete investigation of all lobbying activities intended to influence, encourage, promote, or retard legislation;

(2) to make a full and complete investigation of all activities of agencies of the Federal Government intended to influence, encourage, promote, or retard legislation;

(3) to report from time to time to the Senate (or to the Secretary of the Senate if the Senate is not in session) and to the House of Representatives (or to the Clerk of the House if the House is not in session) the results of its study and investigation, together with such recommendations as it deems advisable.

SEC. 4. The committee, or any subcommittee thereof, shall have power to hold hearings and to sit and act at such places and times, to require by subpoena or otherwise the attendance of such witnesses, and the production of such books, papers, documents, and tangible things, to administer such oaths, to take such testimony, to procure such binding and printing, and to make such expenditures as it deems advisable. Subpoenas shall be issued under the signature of the chairman of the committee and shall

be served by any person designated by him. The cost of stenographic services in reporting such hearings as the committee may hold shall not be in excess of 25 cents per hundred words.

SEC. 5. The committee is authorized to appoint and fix the compensation of such experts and such clerical, stenographic, and other assistants as it deems advisable.

SEC. 6. The expenses of the committee shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers approved by the chairman of the committee.

Mr. SABATH. Mr. Speaker, after I conclude I will yield 30 minutes to my colleague the gentleman from Ohio [Mr. BROWN].

Mr. Speaker, I do not know whether the Members heard the reading of this resolution, so consequently I will make a short explanation of what it intends to do. The resolution intends to appoint a joint committee of the House and the Senate, seven Members from each body, four Democrats and three Republicans from the House, and the same from the Senate, for the purpose of investigating the lobbyists that have infested this Capitol for these many years, especially the last few years. This resolution has been broadened by the Committee on Rules so that it will also embrace activities of the agencies of the Federal Government. It provides for making a full and complete investigation of all lobbying activities intended to influence, encourage, promote, or retard legislation, also to make a full and complete investigation of all activities of agencies of the Federal Government intended to influence, encourage, promote, or retard legislation.

From time to time we have heard from many of these gentlemen, some of whom draw as much as \$150,000 a year, lobbying and trying to urge and retard various legislation for which they have been hired by corporations or groups. However, many times these lobbyists have succeeded in securing employment from various manufacturers and businessmen under the pretense that they can influence and sway the Members of Congress. In many instances these lobbyists obtain their money by fraud and misrepresentation, because I know of many of them, and I know they cannot deliver anybody, and further, I doubt very much that they can influence the membership. However, they are here annoying and harassing the Members from day to day. I feel that we should know just exactly what legislation should be enacted to put a stop to this infamous practice that has prevailed now for many years.

I remember years ago when the country was very excited over the legislation intended to affect the activities of the holding companies and power combines, as evidenced by the report that they spent over \$2,000,000 under the leadership of Hopson in an endeavor to kill that legislation, which they designated as a death sentence to the power and utility companies. As many of you older Members recall, this legislation was eventually enacted and the power companies are still very much alive notwithstanding the fact that this law is on the statute books today.

I know that in the last few years many more millions have been spent on the part of many corporations and businesses who are endeavoring to enact legislation in their favor and stop legislation which they are opposed to. Many of you older members remember that I have attacked these professional lobbyists for years. I introduced a bill 4 years ago, the provisions of which are embodied in the present Legislative Reorganization Act but which unfortunately, is not clear enough and does not not go far enough, for the abuses still continue. This committee will recommend "teeth" that can properly be enacted into law thereby eliminating these abuses.

I am indeed gratified and it gives me sincere pleasure to support the resolution that has been introduced by the distinguished gentleman from Pennsylvania [Mr. BUCHANAN], a man of great ability and a person with an exceptionally fair mind. If appointed chairman of this committee to investigate lobby activities, as I believe he will, I am certain that he will make a thorough and honest investigation without any unjustified smearing of anyone, for I am confident that such an investigation will give us an opportunity and basis for proceeding further on corrective legislation designed to eliminate permanently these infamous lobbying practices. I intended to mention the names of some of these lobbyists but I will forego mentioning their names because I feel that after the committee has been appointed and makes its investigation, light will be shed on some of those things in this regard, which came to my attention during the last few years.

(Mr. SABATH asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, I take this minute to inquire of the majority leader what the program will be for the rest of the week and for next week, insofar as he is able to state it.

Mr. McCORMACK. I am unable to state now the program for next week, but shall do so tomorrow.

The pending concurrent resolution is the last business for today.

Tomorrow there will be the joint session at which the President of Brazil will be the guest of the Congress. Following that will come the consideration of the Army pay-increase bill. If that bill is disposed of tomorrow, which I hope it will be, I expect to ask unanimous consent that the House adjourn over until Monday.

Mr. MICHENER. I thank the gentleman.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself 10 minutes, and ask unanimous consent to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BROWN of Ohio. Mr. Speaker, as the gentleman from Illinois, the chairman of the Committee on Rules, has told

you, House Concurrent Resolution 62, introduced by the gentleman from Pennsylvania [Mr. BUCHANAN], provides for the creation of a Joint Committee on Lobbying Activities, to consist of 14 Members, 7 from the House and 7 from the Senate. It is my understanding that there will be 4 Members from the majority party and 3 from the minority party named from each branch of the Congress.

The duties of the committee are set forth under three particular paragraphs or provisions of the resolution.

First, it shall be the duty of the committee to make a full and complete investigation of all lobbying activities, intended to influence, encourage, promote, or retard legislation.

Second, and this particular provision, I might add, was written into the resolution by action of the Committee on Rules, which had original jurisdiction over this resolution, to make a full and complete investigation of all activities of agencies of the Federal Government intended to influence, encourage, promote, or retard legislation.

Third, the final duty and responsibility of this committee, if it is created, is to report from time to time to the Senate and to the House the results of its studies and investigations, together with such recommendations as it deems advisable.

Mr. Speaker, I recall that in the Seventy-ninth Congress the gentleman from Illinois, the chairman of the Committee on Rules [Mr. SABATH], introduced a resolution to investigate lobbying activities at that time. I supported that measure, but for some reason or other it was never acted upon by the Committee on Rules, and consequently no investigation was ever conducted.

I do not believe any fair-minded person in the Congress or out of the Congress can object to the proper kind of investigation of lobbying activities. We realize fully that in the minds of the public there is often some thing rather reprehensible connected with the words "lobby," or "lobbyist," or "lobbying." Yet, there are many good lobbyists. Under the rather complex economic system and governmental structure which we have created, perhaps it has become a necessity for different groups and organizations to have some representative spend a great deal of time keeping tab on the activities of the legislative branch of the Government. Since we passed the new lobby act, there has been many questions raised as to just who, just what individuals and what organizations, are covered by that law, and who must register as lobbyists under the act. There are many individuals in and out of Washington who, of necessity, for their own protection, or for that of the business or industry in which they are engaged, must keep in rather close contact with the Congress and know exactly what is going on in a legislative way at the Capitol. Today any action taken by the Congress may vitally affect some business, or industry or individual as well as business or individual investments and incomes, and all of the varied activities of the business and industrial world. I want to express the hope that this committee, if authorized,

the generation to which I belong, and reflect on the problems which have been ours, and the crises we have met successfully, the present uncertain future of all peoples, all things, my heart is heavy. But when I fix my attention on a group of boys, the new generation, my heart leaps with faith and hope."

I should like to say here and now—thank God for the thousands upon thousands of self-sacrificing loyal Americans who have all these years devoted a good portion of their lives to the mental, moral, and physical welfare of the youth of our country. But for the untiring efforts of our schools, our churches, and our youth-serving organizations, this democracy of ours might indeed have been threatened by a bankruptcy in sound citizenship with its rightful place of influence in things to come. In particular, I should like here to pay tribute to the men and women who devote their lives to the training and guidance of boys. I wish to express my appreciation to the more than 30,000 of them who give their time and thought to the management of boys' clubs and to promote their interest in boards of directors, women's auxiliaries, alumni associations, and other organizations pertaining thereto.

In singling out the Boys' Clubs of America, I should like to be sure that you understand I am not merely adjusting my personal opinion to the exigencies of the occasion. As a matter of fact, I have more than a passing fancy to substantiate my opinion. I, as a member of the national board of Boys' Clubs of America, am proud to be among this army of laymen who believe in the soundness of boys' clubs.

As you are probably aware, it has been my good fortune to travel into every State in the Union and to have met thousands of men and women in every walk of life—a true cross section of the population of this country. I have enjoyed the opportunity to observe at first hand the fruitful effects of the untiring efforts of our schools, our churches, and our social agencies and institutions. Furthermore, I have come to learn from personal experience that if there is one thing upon which we can base our confidence and hopes of a better day to come, it is the youth of our Nation.

I ask you to bear with me while I read a poem that I have carried in my pocket for years. It is *The Boy*, by Edgar A. Guest:

"A possible man of affairs,
A possible leader of men,
Back of the grin that he wears
There may be the courage of ten;
Lawyer or merchant or priest,
Artist or singer of joy,
This, when his strength is increased,
Is what may become of the boy.

"Heedless and mischievous now,
Spending his boyhood in play,
Yet glory may rest on his brow,
And fame may exalt him some day;
A skill that the world shall admire,
Strength that the world shall employ,
And faith that shall burn as a fire
Are what may be found in the boy.

"He with the freckles and tan,
He with that fun-loving grin,
May rise to great heights as a man
And many a battle may win;
Back of the slang of the streets
And back of the love of a toy,
It may be a Great Spirit beats—
Lincoln once played as a boy.

"Trace them all back to their youth,
All the great heroes we sing,
Seeking and serving the Truth,
President, poet, and king,
Washington, Caesar, and Paul,
Homer, who sang about Troy,
Jesus the greatest of all,
Each in his time was a boy."

Think of the unexhausted energy of youth. What boundless vitality, enthusiasm, devotion, and greatness are wrapped up in youth. Consider the average American boy—think of his unspooled powers, the agility of his muscles, the quickness of his eye, his ear undulled, his curiosity keen, his memory sharp, his unspoiled emotions ready to admire, and his will power to be directed.

But think, too, how easily he is affected by the influences that we offer him. Bad influences all too often. Statistics tell us that the average age of men who are inmates in prisons and reformatories is 26, or even younger, and even more serious is the fact that five-sixths of these young men had had the seeds of weakness, that later caused their downfall, cast across their character in the period of their boyhood or early youth. This has tremendous significance to you and to me, and to all who are interested in the future welfare of our country.

But thank God boys are even more easily affected by good influences than bad. The result of my many conversations with young people in the course of my lifetime and experience justifies me in going on record to say that boys are far more responsive to high and noble ideals than to those forces which are demoralizing, provided, of course, that those ideals are presented in a way that the boys can understand and that appeals to them as worth while.

Should you have any doubt of the fact that the chief asset of this Nation is its youngsters, reflect for a moment on the things that you feel makes a nation great. Mere extent of territory does not constitute greatness. Russia has more square miles of territory than any other nation on earth. Nor does the volume of population indicate greatness. China has the numbers—some 400,000,000—but that is not what constitutes the greatness of the Chinese people. Nor does the volume of public or private wealth or of natural resources constitute true greatness. Am I not right when I say that neither education nor technical training by themselves made a nation great? Germany was one of the best trained nations of modern times, but the experience of Germany is illustrative only of the fact that education and training can teach to build armaments and be skillful in their use, but that is not greatness.

No; the real greatness of a nation is in its people. It is their ideals, their character, their spirit, that makes it great. And these are determined largely by the influence that we bring to bear on the boys and girls, the youth of our country. What America, this land we so much love, will be 30, 40, or 100 years from now depends implicitly upon what is happening to those boys who are shooting marbles in the streets and lanes of our cities and villages right now. Consequently, if we are to prepare this country adequately to meet the tests of the trying years ahead, we must strive toward the adequate preparation of our citizens who will be at the helm.

The responsibility for this great task cannot be placed entirely within the walls of our schoolrooms. The field of education has made tremendous strides in behalf of our children. I believe their efforts and accomplishments have earned our fullest admiration and respect. But, actually, mere schooling is not education. Whereas a boy is influenced by his school for a few hours daily, during a few years of his life, every other experience that he encounters is also educational in nature. Often the most vital part of his education, for better or for worse, is received outside of the school.

And the value of a good home is impossible to estimate. A boy's greatest educational experiences, affecting his entire life, are found within the home. Is it not a fact that most young men who get into trouble with

the authorities are products of an inadequate home environment?

And is it not true that the church is a major factor in a boy's education? Too often, unfortunately, this factor is minimized or not brought into play at all. They tell me that an alarming number of boys of America do not have any church affiliation. To any serious-thinking person, that is a frightful indictment of the parents of those boys. Every youngster needs to be taught that if he is to be rewarded in the world to come, he must do two things in his life; first, he must honor the divine command to "love the Lord, thy God, with thy whole heart, thy whole soul, and thy whole mind." And then, he must do something else; he must "love thy neighbor as thy self."

This thought brings me to a specific reason for my belief in the work of the Boys' Clubs of America. Somewhere, outside of the home, the school and the church, there must exist a proving ground, a workshop, as it were, where a boy may exercise and develop the ideals which have been expounded to him. I can think of no better way for the boys of our Nation to occupy their free-time hours than participation in the safe and constructive program of a boys' club.

Here he is given full opportunity under the guidance and protection of competent, qualified leadership to learn self-reliance, to aim for leadership in competition in the spirit of fair play, and to develop bodies, hand and brain skills in preparation for the future. Here he finds an opportunity to prove his skill, to satisfy his hunger for adventure, to give and take in full consideration of others, and to stand on his own feet. And, what's more—he likes it.

I am convinced that if we are to interest boys in worth-while activities we must offer something that they will enjoy doing, and, further, something they think is worth doing. To my way of thinking, boys' clubs are satisfying this prerequisite.

Multiply these invaluable influences by 322 clubs and a total boy membership in excess of 300,000, and you have an infiltration each year into the citizenry of the Nation, of thousands of graduates of boys' clubs, who will not only have a direct effect for good in their community, but will work like a leaven in influencing thousands of others the world over, with whom these boys' club alumni come into contact. This admirable picture is in itself a monument to you who are giving years of devotion to the management and promotion of boys' clubs.

I wish to compliment all the men and women in America who voluntarily contribute toward the benefit of the people. This concern of the individuals for the welfare of their neighbors has been traditional in America. It is just as much a part of the American way of life as our desire to improve our own conditions. It would be a tragic day for America if all responsibility for the welfare of the people were to be thrown on the Government. It would be equally tragic for us as individuals if we could discharge our responsibility to our neighbors by filling out an income-tax blank.

I know full well that in our struggle upward as individuals and as a Nation, there have been those who needed the helping hand of their neighbors. We have made a great advance in our concern and efforts for the unemployed, the aged, the sick, and the disabled veterans, and all who, because of misfortune or for any reason, cannot make the grade in the upward struggle.

These people are the great concern of all of us and the most of us will approve sound measures for meeting their needs. I believe, however, that we should and can best meet their needs without destroying the initiative and self-reliance of the individual. In a state where there is complete so-called se-

curity, it is security on a very low level and the opportunity of the individual to rise and create for the benefit of all the people is not only limited, but the lack of incentives is deadening to individual initiative and enterprise.

One of the principal reasons for the prosperity and standard of living in America is this—that from the time of our Pilgrim Fathers, it has been a land of opportunity. Every parent, as he looks at his child in the cradle, has at least the hope that the child will be better off than he has been and may have the American dream that their sons will become important figures in the business, professional, and political world.

With this thought in mind we must never permit our outlook on life, our American skyline, if you please, ever to become obscured by the cloud of social and economic problems. We must never allow the fabulous wealth of this Nation to deprive us of the simple virtues that have made this Nation the hope of all mankind. We must never permit the ideals of this Republic to sink to a point where every American father and mother, regardless of race, color, or creed, cannot look proudly into the cradle of their new-born babe and see a future President of the United States.

I am speaking now of human realities—human realities that we can hand down to our children, if we will but keep the faith of our fathers and cherish the bonds of unity that are so necessary, so essential for our continued progress. Give America a united front, and there is no power on earth, within or without, that can weaken or destroy our democracy.

This hope and dream is firmly based on the life stories of thousands of men and women who from limited beginnings rose to important places in our economic, professional, and political life. Because men in America had the incentives to work and strive, they have brought about the highest standard of living in the entire world.

America is still a land of opportunity, and I believe that the opportunities for our youth are greater now than ever before in our history, but it is my contention that with every opportunity a responsibility emerges. It is squarely up to us to do the most important thing we can for our youth and for our country, and that is to teach boys and girls that they can have more than mere security if they will learn and strive. On large scale, the Boys' Clubs of America are meeting that responsibility.

Herein lies another reason why I am so anxious to support the work of boys' clubs. While they serve boys of all classes where there is need, they have always been especially concerned with boys whose family and neighborhood resources are limited. Many boys whose formal education, too, must be limited and their opportunity for advancement in the boys' club.

Boys' clubs are geared to meet needs unmet by other organizations. While they are completely nonsectarian, they are not godless. As a matter of fact, they are fountain springs of tolerance—enemies of bigotry. They are possessed of no magic formula, but, on the contrary, are simple and direct in pattern. They are the best means I know for a sound investment of our interest, efforts, and money toward insurance of the future well-being of our country.

The only fault that I can find with boys' clubs is the fact that there are not yet enough of them. We can and must make the fruits of this tried and true movement available to every boy in every sizable community. I know of no other way in which, as individuals, we can proffer our boys and girls the incentives to work upward in the American tradition and the opportunities for their self-development.

The Hoover Commission

EXTENSION OF REMARKS

OF

HON. THOMAS J. LANE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 18, 1949

Mr. LANE. Mr. Speaker, under leave to extend my remarks, I wish to include the following letter that I have received from Mr. Henry P. Kendall, president and treasurer of the Kendall Co., Boston 10, Mass., bringing to my attention an article regarding the Hoover Commission:

THE KENDALL CO.,
Boston, Mass., May 16, 1949.

Hon. THOMAS J. LANE,
House Office Building,
Washington, D. C.

DEAR MR. LANE: You, I am sure, must have given some thought and study to the recommendation for a reorganization of the executive branch of the Government on the basis of the Hoover Report. I have tried to familiarize myself with the principles involved, and with many others, I share a deep concern that this masterly, objective study has not been implemented. The enclosed clipping expresses better than I can the importance of action.

It would seem to me that a bill instructing the President to carry out the Hoover report completely, and as expeditiously as possible, should be drawn. If the report is torn to pieces by bureaucrats without having been given a trial, it is likely to be emasculated. No superficial reading of this exhaustive report without the background of time put into it by the various task groups is likely to be anything but harmful.

If the report is passed as a whole, any weaknesses will show up, and improvements or beneficial modifications growing out of the experience of operation can be undertaken, which will be a far wiser and safer course to follow.

New England, as well as the rest of the country, has much to gain from the adoption of this report. I am therefore sending this letter and clipping to all New England Congressmen and Senators and also to such other Congressmen and Senators with whom I am personally acquainted.

Men like myself, I can assure you, who have developed sound and efficient organizations and comprehensive budgetary controls, feel deeply concerned by the lack of progress toward implementing this report.

Cordially and sincerely yours,
HENRY P. KENDALL.

THE GREAT GAME OF POLITICS

(By Frank R. Kent)

DANGEROUS INERTIA

WASHINGTON.—The sluggish indifference in Congress to the Hoover Commission's recommendation for reorganization of the Federal Government, grotesquely swollen and incredibly bungling, wasteful, and inefficient, is a direct reflection of the inertia and unintelligence of the American people. There is no other way to explain it. The present situation is as complete an indictment of our unfitness to govern ourselves as has been made.

These may seem harsh words but they are justified by the facts. If this Nation were free of debt; if its citizens were lightly taxed; if there were a dependable surplus in the Treasury; if there were no war clouds in the

foreign sky; if peace were assured, our defense armament reduced to the minimum and the rest of the world on its economic feet (an ideal condition which, of course, will never occur but may be assumed for the sake of argument), even then it would be inexcusably stupid not to enact the Hoover recommendation, which not only would save \$3,000,000,000 a year but, through the elimination of duplication, waste, and absurdities, restore reason and efficiency to a machine close to bogging down of its own weight.

Even under the ideal conditions above described there could be no defense for inaction, no argument against adoption, no sense in refusal. But, under conditions as they really are, not to act swiftly and favorably is more than stupid—it is wicked. It comes close to national insanity. It would be the most shocking demonstration of popular incapacity in all history. It would exhibit this Nation as having, first, gone on record as realizing the necessity of regaining control of its governmental machinery; second, as having its request to be shown the way fully complied with; third, with full knowledge of the danger, as having turned its back, shut its eyes and done nothing.

These statements are by no means too strong. The truth is they cannot be made too strong. For here are the facts—far, indeed, from those ideal conditions, financially, the Nation is in an appalling state. Instead of being free of debt, the debt—now more than two hundred and sixty billions—is far greater than anyone dreamed could be sustained. The annual interest alone is twice as much as the total cost of government 20 years ago. Instead of being lightly taxed, the tax burden is unprecedentedly heavy. It bears grievously upon rich and poor alike. It has reached the point where to gain acutely needed revenue, economists generally fear the result of adding to it. Instead of a dependable surplus for nearly 18 years, we have consistently run increasingly large deficits. Under such conditions any business, big or little, would be marked "insolvent," branded as bankrupt. In other words, our Federal fiscal structure is strained to the limit.

Instead of permanent peace, for 2 years we have been engaged in a frightening cold war with Russia and no man can be sure it will not become a shooting war. Instead of reduced armaments at vast cost, we are forced to build up a gigantic defense machine. And billions are being poured into the friendly countries of western Europe to promote their economic stability and strengthen our position. Finally, we have just concluded the North Atlantic Pact, under which in the next 12 months we will furnish to the other signers \$1,500,000,000 worth of military supplies. This one and one-half billion is not provided for in the President's budget and must be added to the five and one-half billions necessary for the Marshall plan in the coming year. On top of all this, before the session has ended Congress will have appropriated several other nonbudgeted billions for a variety of purposes. The drain upon the Treasury will be terrific. We have got to get more revenue or go under. Where is the money coming from? Even if more taxes are levied, we will still be far short of our needs. In face of these facts, which no one disputes, one would think the Hoover proposal to eliminate waste, increase efficiency, and save three billions annually would seem heaven-sent.

Literally, there is everything to commend it. It is not as if the Hoover Commission were trying to sell it. The idea was not originated by Mr. Hoover but by Congress itself. It was Congress which unanimously passed a resolution creating the commission and asking it to do the job. The commission has done the job. Neither the accu-

racy of the report's figure nor the soundness of its recommendations are questioned by anyone. Practically every newspaper in the United States has approved. There isn't so much as a trace of politics anywhere. No one connected with the commission has anything even remotely to gain. No one in any party disputes the vital necessity of the proposed reorganization, which every President since Theodore Roosevelt has urged. Informed men know that if it falls this time it will never be done. This is the last chance.

Opposition comes from the entrenched Federal bureaucracy and the labor lobby. Powerful as these are, they should be easy to override on so tremendously essential a matter as this. Yet, incredibly, it lags. Already it is being said that Congress will evade responsibility itself and merely authorize Mr. Truman to reorganize to the extent he desires. That, of course, means nothing at all. Most Congressmen shrink from doing anything to disturb the constituents whom they have on the pay roll. Their disposition is to run away from the drastic steps they are now asked to take in the national interests. If some way is not found to save this report from the lingering death which its opponents predict, this country's future is not pleasant to contemplate. Easily, it is the most important matter before Congress. Its fate will affect every project upon which we are engaged, abroad as well as at home. It is a dreadful thought that the people are incapable of being aroused on so vital and simple an issue.

Northwest Support of CVA

EXTENSION OF REMARKS

OF

HON. HUGH B. MITCHELL

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 18, 1949

Mr. MITCHELL. Mr. Speaker, some die-hard opponents of CVA and their editorial spokesmen are attempting to depict President Truman in the role of foisting CVA on the Pacific Northwest against the wishes of our people. Outstanding citizens of my State have answered these unfounded attacks and misrepresentations. I include with these remarks a statement made jointly by E. M. Weston, president of the Washington State Federation of Labor; Henry P. Carstensen, master of the Washington State Grange; Roy W. Atkinson, regional director of the Congress of Industrial Organizations; and Harold J. Gibson, president of Aero Mechanics Lodge, No. 751, and president of the Washington Council of Machinists, International Association of Machinists.

I also include a letter to the Tacoma News-Tribune, written by State Senator John T. McCutcheon, which effectively sets forth the benefits that will accrue to the Pacific Northwest by establishment of a CVA.

The statement and letter follow:

Recent newspaper reports quoting anti-CVA spokesmen as saying that there is no support in the Pacific Northwest for the Columbia Valley Administration bill is an insult to the many Northwest organizations which have actively favored this legislation for years.

The organizations we represent have a combined membership of a half million per-

sons plus their families. We have consistently backed CVA and have helped organize the League for CVA to bring forth the facts to the general public. We challenge the CVA opponents to name the people they represent when they claim to speak as the voice of the Pacific Northwest.

We believe that the misguided opponents of CVA are fighting against the greatest opportunity ever presented to the people of the Pacific Northwest. We remember that these same groups were among those opposing construction of Bonneville and Grand Coulee Dams, which have proved to be of great benefit to this region.

CVA will bring greater benefits to the Pacific Northwest by hastening the development of the Columbia, America's greatest source of power. It will be done in a completely democratic manner, and the people of the Pacific Northwest will have more to say in their future destiny than they have ever had before. By democratically working together with the CVA, we will be able to work out the particular details of Northwest development to the satisfaction of all concerned.

The enthusiasm of our members convinces us that were the CVA issue put to the test of a vote, the people of the Pacific Northwest would be overwhelmingly in favor of this legislation. The manner in which the people of our region are rallying to the support of CVA further convinces us that the Pacific Northwest wants a CVA and will have a CVA.

E. M. "ED" WESTON

President, Washington State Federation of Labor.

HENRY P. CARSTENSEN,

Master, the Washington State Grange.

ROY W. ATKINSON,

Regional Director, Congress of Industrial Organizations.

HAROLD J. GIBSON,

President, Aero Mechanics Lodge, No. 751, and President, Washington Council of Machinists, International Association of Machinists.

MAY 5, 1949.

To the Editor,

Tacoma News-Tribune,

Tacoma, Wash.:

The opposition to the CVA bill is totally illogical. It seems to be based on an imaginary surrender of some vague power or freedom to the Federal Government which we are now supposed to possess over the navigable streams of the State. Even in politics, logic and common sense have some place. What power do we now or did we ever possess over Coulee, Bonneville, McNary, and the other great dams to be built on the Columbia River, or over the great reclamation project in the Columbia Basin? None whatever. Their future progress and development are completely at the whim of the Federal Government as it is. The only difference is that under the present system the policy of the Federal Government may change overnight if the private power interests get control of a new Congress and inspire it with their peculiar ideology. We have everything to win and nothing to lose by the establishment of a permanent regional authority that will fix the policy as one of development and not of stagnation. It will unify the conflicting claims of the Reclamation Service, Bonneville, and the Army engineers, and coordinate the protection of fish and wildlife.

The CVA bill now before Congress does not take away any of the power or authority of any city, town, or public utility district, or arrest their expansion in any way. Anyone who says otherwise is not telling you the truth. These local agencies, which are the backbone of local control in the distribution of power, will be tremendously aided by a CVA, not hindered. They will be enabled to buy more cheap power and distribute it. In-

dustry will thrive and floods be brought under control.

The city of Tacoma cannot help but benefit, the mutuals cannot help but benefit, and the districts cannot help but benefit. Their present powers to expand are in no way limited. A CVA means unity of Federal effort; it means greater appropriations; it means continuity of policy and more rapid development of power, which will pay off the costs of the investment.

No one who believes in the development of the Northwest can logically oppose a CVA. No one who has fought the battle for public power over the years will.

Very truly yours,

JOHN T. MCCUTCHEON.

State Senator.

Trade and Cold War

EXTENSION OF REMARKS

OF

HON. HALE BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 18, 1949

Mr. BOGGS of Louisiana. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the New Orleans Times Picayune of May 16, 1949:

TRADE AND COLD WAR

Three men well qualified to speak on world economics had their say this past week. Will Clayton warned that on balance the Russians are still winning the cold war and will continue to win so long as western Europe clings to self-containment trade and economic policies. Paul G. Hoffman, director of the ECA, told an Italian audience that although the Marshall plan had halted the Communist offensive for the moment, the job will not be done until 1952, and then only if European recovery is accomplished. W. Averell Harriman, special ECA representative in Europe, tied up these two statements by strongly reaffirming American support for world-wide reduction of trade barriers and establishment of a sound multilateral trading system. He insisted that the time has come for Europeans and the Western world generally to do something more than talk about economic integration.

All of this suggests that after 1 year of Marshall plan operation, which has been mainly concerned with priming the pump of European production, the time has come to proceed toward the real goal of the program: The economic reintegration of opposed nationalistic economies of even the Atlantic pact countries.

The reciprocal trade agreements act, which Congress is once more to consider soon and free, we hope, from the crippling amendments imposed last year by the Republican majority in the Senate, is one step in freeing world trade. United States foreign economic policy is firmly behind the Havana charter of the International trade organization which would help to remove barriers and establish unrestricted facilities for monetary exchange.

Mr. Harriman correctly warned Europe that it is far better for nations to take the risk now in giving up restrictive devices than to wait until American aid no longer is available. Although it is true that steps should be taken slowly and carefully it nevertheless is also true, as Mr. Harriman said, "that if a man too long postpones moving from his chair, his legs may atrophy to the point where he cannot even walk."

Reserve Officers and the National Security

EXTENSION OF REMARKS

OF

HON. W. STERLING COLE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 18, 1949

Mr. COLE of New York. Mr. Speaker, one of the outstanding younger officers of the United States Air Force, Maj. Gen. Thomas D. White, recently addressed the State convention of the Reserve Officers' Association of New York State, held at Elmira, N. Y., and it is my pleasure to offer his remarks made at that time:

It is a great pleasure for me to be here tonight. Believe it or not, I owe the privilege to General Baron von Hammerstein. I haven't been able to get any historical data on him but the amiable baron evidently was an astute observer of human nature. Hanging on my office wall in the Pentagon is a quotation from the baron. It seemed so apt that, in the course of my business of keeping Air Force contact with Members of Congress, I had some photostats made. I gave one of them to Representative STERLING COLE, distinguished Congressman from this district. I thought Congressman COLE would particularly appreciate it. He did.

General Baron von Hammerstein said, "I divide my officers into four classes: The clever, the stupid, the industrious, and the lazy. Most officers possess at least two of these qualities. Those who are clever and industrious are fitted for high staff appointments. Use can be made of those who are stupid and lazy. The man who is clever and lazy, however, is destined for high command for he has the temperament and nerve to deal with all situations. But, whoever is stupid and industrious is a danger and must be removed immediately."

Congressman COLE alleged that "use could be made" of me and suggested to your committee that I appear here tonight.

It was a pleasure to accept your kind invitation, because I was anxious to have the opportunity to be present at this gathering and meet the members of your group. My interest was aroused immediately when I learned that this association included Reserve officers of all three services. Unification is one of the most important issues that the Military Establishment must resolve, and your association is a healthy sign of spontaneous unification that is highly encouraging. In addition, I have always been interested in the vital role of Reserve officers in the national defense. This organization, then, composed of Reserve officers of all our armed forces and dedicated to the support of a suitable military policy for the Nation, is to me a tremendously important group. Its potentialities for constructive effort in the national defense program are practically without limit.

I often wonder if enough Reserve officers are aware of their vital function in our national life. It sometimes seems to me that many of these men are not fully aware of their own importance and strength, but regard themselves, certainly in peacetime, as filling an essentially static role. It is, of course, perfectly clear that that could not be true of you gentlemen gathered here. Your actions prove otherwise. You have formed this organization. You have given freely of your time and effort. You are here now, in fact, sitting out there listening to me talk while both trout and golf are newly in season. Now I find that highly flattering, but I also regard it as ample evidence of a serious understanding of your importance, as Reserve officers, in our national life.

This importance can hardly be exaggerated. It is far from true, as some believe, that the reserves are active only in wartime, and even then do no more than those other citizens who join the armed forces. Our reserve forces are a vital element of our military structure, in peace as in war. Our military policy, and indeed our national economy as well, are predicated on the repudiation of the totalitarian doctrine of the constant maintenance of armed forces at full wartime strength. Our prosperity and many of our liberties would vanish if we attempted such a thing. Instead, the traditional American doctrine has long been to maintain standing forces adequate to provide a training corps and to meet the initial impact of hostilities with the capability of immediate expansions to wartime strength. This matter of expansion to full strength is the key to the success or failure of the entire policy. It could never be done without the existence of a trained and organized body of reserves ready at all times to assume the full duties and responsibilities of professional military men. I have used the expressions "at all times" and "full duties and responsibilities" deliberately and with a purpose. Modern war strikes swiftly. Our ranks must be filled at once with trained men. Other millions of men must be adequately and promptly brought to a high state of training. In both cases the professional competence of our reserve officers is a vital and decisive factor. We cannot tolerate a "guns or butter" economy. We certainly must never suffer military conquest. Our ability simultaneously to avoid both these contingencies depends primarily upon you men here today, and upon your counterparts throughout the country. That is a great responsibility. To meet it would seem to be enough to ask of any man. There are, however, many other important functions that a reserve officer can and does perform in his dual role as soldier and civilian. His understanding of matters of defense significance is that of a military man but his daily life is that of a civilian. In this he enjoys a unique advantage. In this position he can be of the greatest service to his fellow citizens, his service, and his country.

The American citizen today is vitally interested in defense matters. He is naturally and properly concerned about the security of his country. He is concerned about taxes. He certainly wants the maximum for his defense dollar. He wants unification of the armed forces. Above all, he seeks information about and understanding of all these things. Neither are always easy to obtain.

Now, of course, there are no clear-cut answers to many such questions. However, a man with the background of military training and experience necessary to be a reserve officer, is at least in a position to weigh these matters intelligently. He can usually tell fact from rumor. He knows his own service intimately and is doubtless familiar with the needs and purposes of the others. He is respected by his friends and neighbors for his military knowledge, and if he keeps himself well-informed professionally he can be of immeasurable assistance to his civilian associates. This is more important than it might appear. Military matters do not lie outside the province of the private citizen. He exerts a very real if indirect influence on all matters of national policy. It is proper and essential that he should. It's his safety and his money that are involved. His free speech, his vote, and his influence upon his elected representatives are the means by which he exercises the prerogatives of a free citizen. Experience has shown that when he does not exercise those prerogatives vigorously and wisely they are lost.

Many Americans are apathetic toward the powers and responsibilities of citizenship and in defense matters often find it difficult to know what to believe or do. The reserve offi-

cer, a private citizen himself, can be a very powerful influence in his community, an influence working toward the active, enlightened, and vocal concern of every citizen with defense measures. Such concern is important to our very survival. Foster it upon every possible occasion.

Probably the most important issue involving the armed forces today is that of unification. Certainly this is what the public currently hears the most about. It is the score upon which they are most confused and most alarmed. Everyone knows that effective working unity between the Army, Navy, and Air Force is essential to both military effectiveness and economy. Yet people hear that the military establishment is rent by conflicting doctrines and ambitions, that vast waste and petty quarrels hopelessly impair efficiency and economy. Because of its importance and because of the confusion and misrepresentation that are so common, I want to talk a little about this matter of unification.

In the first place, we do have our differences in the National Military Establishment. It would be silly to deny it. I think it's a good sign. What people don't think about, however, is that these very differences are evidence of the degree of unification that has been attained. If the Army, Navy, and Air Force each went its own separate way their doctrines and principles could be wildly divergent. That was largely true for many years. It was not until we faced up to the problem of establishing uniform and realistic concepts of strategy and tactics that the differences that do exist become apparent. These differences are inevitable, but they are being resolved. They are being resolved by discussion in the Joint Chiefs of Staff. They are being resolved by experience, by the experience of the recent war supplemented by joint exercises and maneuvers. Out of all this discussion, out of joint experience, and out of an ever-growing familiarity with each others' weapons, methods, and capabilities, there is growing at all levels in all services, a new, integrated, and realistic understanding of the very art of war itself. This understanding, and the new and vital concepts that are taking shape in the light of it, will form the basis for the future strategic and tactical doctrine of the unified United States forces.

This new doctrine and the resulting new methods in warfare may well be our salvation in any future war. At present, however, their birth pangs are being felt in consternation and worry over the alleged interservice feuding. Feuds, of course, make good copy, just as one airline crash is news but several million passenger-miles flown in safety are not. One of the biggest feuds we read about is that over the primary function of the services. Principally, we hear of the Air Force's right to strategic bombardment.

The Air Force, of course, is concerned with its strategic bombing role. We feel it's important, and we feel that we have a grave responsibility to do it as effectively as modern weapons and methods permit. We realize, however, that when the Air Force drops a bomb, atomic or otherwise, the performance is far from being wholly an Air Force show. It is a joint operation, as is any other military activity. On a strategic bombing mission the Air Force is carrying the ball. In a carrier strike the Navy carries the ball. In a land campaign the Army has taken the pass from center. But in every one of those activities every member of the team has a vital function to perform. To bring any type of force to bear on the enemy in modern war requires the coordinated effort of all land, air, and sea forces and is a highly intricate team function. It will no longer suffice to think in terms of Army, Navy, and Air Force roles. It is no longer sufficient to think in terms of cooperation. Modern war planning must include all the involved

REORGANIZATION ACT OF 1949

JUNE 16, 1949.—Ordered to be printed

Mr. DAWSON, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 2361]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2361) to provide for the reorganization of Government agencies, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

TITLE I

SHORT TITLE

SECTION 1. *This Act may be cited as the "Reorganization Act of 1949".*

NEED FOR REORGANIZATIONS

SEC. 2. (a) *The President shall examine and from time to time re-examine the organization of all agencies of the Government and shall determine what changes therein are necessary to accomplish the following purposes:*

(1) *to promote the better execution of the laws, the more effective management of the executive branch of the Government and of its agencies and functions, and the expeditious administration of the public business;*

(2) *to reduce expenditures and promote economy, to the fullest extent consistent with the efficient operation of the Government;*

(3) to increase the efficiency of the operations of the Government to the fullest extent practicable;

(4) to group, coordinate, and consolidate agencies and functions of the Government, as nearly as may be, according to major purposes;

(5) to reduce the number of agencies by consolidating those having similar functions under a single head, and to abolish such agencies or functions thereof as may not be necessary for the efficient conduct of the Government; and

(6) to eliminate overlapping and duplication of effort.

(b) The Congress declares that the public interest demands the carrying out of the purposes specified in subsection (a) and that such purposes may be accomplished in great measure by proceeding under the provisions of this Act, and can be accomplished more speedily thereby than by the enactment of specific legislation.

REORGANIZATION PLANS

SEC. 3. Whenever the President, after investigation, finds that—

(1) the transfer of the whole or any part of any agency, or of the whole or any part of the functions thereof, to the jurisdiction and control of any other agency; or

(2) the abolition of all or any part of the functions of any agency; or

(3) the consolidation or coordination of the whole or any part of any agency, or of the whole or any part of the functions thereof, with the whole or any part of any other agency or the functions thereof; or

(4) the consolidation or coordination of any part of any agency or the functions thereof with any other part of the same agency or the functions thereof; or

(5) the authorization of any officer to delegate any of his functions; or

(6) the abolition of the whole or any part of any agency which agency or part does not have, or upon the taking effect of the reorganization plan will not have any functions,

is necessary to accomplish one or more of the purposes of section 2 (a), he shall prepare a reorganization plan for the making of the reorganizations as to which he has made findings and which he includes in the plan, and transmit such plan (bearing an identifying number) to the Congress, together with a declaration that, with respect to each reorganization included in the plan, he has found that such reorganization is necessary to accomplish one or more of the purposes of section 2 (a). The delivery to both Houses shall be on the same day and shall be made to each House while it is in session. The President, in his message transmitting a reorganization plan, shall specify with respect to each abolition of a function included in the plan the statutory authority for the exercise of such function, and shall specify the reduction of expenditures (itemized so far as practicable) which it is probable will be brought about by the taking effect of the reorganizations included in the plan.

OTHER CONTENTS OF PLANS

SEC. 4. Any reorganization plan transmitted by the President under section 3—

(1) *shall change, in such cases as he deems necessary, the name of any agency affected by a reorganization, and the title of its head; and shall designate the name of any agency resulting from a reorganization and the title of its head;*

(2) *may include provisions for the appointment and compensation of the head and one or more other officers of any agency (including an agency resulting from a consolidation or other type of reorganization) if the President finds, and in his message transmitting the plan declares, that by reason of a reorganization made by the plan such provisions are necessary. The head so provided for may be an individual or may be a commission or board with two or more members. In the case of any such appointment the term of office shall not be fixed at more than four years, the compensation shall not be at a rate in excess of that found by the President to prevail in respect of comparable officers in the executive branch, and, if the appointment is not under the classified civil service, it shall be by the President, by and with the advice and consent of the Senate, except that, in the case of any officer of the municipal government of the District of Columbia, it may be by the Board of Commissioners or other body or officer of such government designated in the plan;*

(3) *shall make provision for the transfer or other disposition of the records, property, and personnel affected by any reorganization;*

(4) *shall make provision for the transfer of such unexpended balances of appropriations, and of other funds, available for use in connection with any function or agency affected by a reorganization, as he deems necessary by reason of the reorganization for use in connection with the functions affected by the reorganization, or for the use of the agency which shall have such functions after the reorganization plan is effective, but such unexpended balances so transferred shall be used only for the purposes for which such appropriation was originally made;*

(5) *shall make provision for terminating the affairs of any agency abolished.*

LIMITATIONS ON POWERS WITH RESPECT TO REORGANIZATIONS

SEC. 5. (a) No reorganization plan shall provide for, and no reorganization under this Act shall have the effect of—

(1) *abolishing or transferring an executive department or all the functions thereof or consolidating any two or more executive departments or all the functions thereof; or*

(2) *continuing any agency beyond the period authorized by law for its existence or beyond the time when it would have terminated if the reorganization had not been made; or*

(3) *continuing any function beyond the period authorized by law for its exercise, or beyond the time when it would have terminated if the reorganization had not been made; or*

(4) *authorizing any agency to exercise any function which is not expressly authorized by law at the time the plan is transmitted to the Congress; or*

(5) *increasing the term of any office beyond that provided by law for such office; or*

(6) transferring to or consolidating with any other agency the municipal government of the District of Columbia or all those functions thereof which are subject to this Act, or abolishing said government or all said functions.

(b) No provision contained in a reorganization plan shall take effect unless the plan is transmitted to the Congress before April 1, 1953.

TAKING EFFECT OF REORGANIZATIONS

SEC. 6. (a) Except as may be otherwise provided pursuant to subsection (c) of this section, the provisions of the reorganization plan shall take effect upon the expiration of the first period of sixty calendar days, of continuous session of the Congress, following the date on which the plan is transmitted to it; but only if, between the date of transmittal and the expiration of such sixty-day period there has not been passed by either of the two Houses, by the affirmative vote of a majority of the authorized membership of that House, a resolution stating in substance that that House does not favor the reorganization plan.

(b) For the purposes of subsection (a)—

(1) continuity of session shall be considered as broken only by an adjournment of the Congress sine die; but

(2) in the computation of the sixty-day period there shall be excluded the days on which either House is not in session because of an adjournment of more than three days to a day certain.

(c) Any provision of the plan may, under provisions contained in the plan, be made operative at a time later than the date on which the plan shall otherwise take effect.

DEFINITION OF "AGENCY"

SEC. 7. When used in this Act, the term "agency" means any executive department, commission, council, independent establishment, Government corporation, board, bureau, division, service, office, officer, authority, administration, or other establishment, in the executive branch of the Government, and means also any and all parts of the municipal government of the District of Columbia except the courts thereof. Such term does not include the Comptroller General of the United States or the General Accounting Office, which are a part of the legislative branch of the Government.

MATTERS DEEMED TO BE REORGANIZATIONS

SEC. 8. For the purposes of this Act the term "reorganization" means any transfer, consolidation, coordination, authorization, or abolition, referred to in section 3.

SAVING PROVISIONS

SEC. 9. (a) (1) Any statute enacted, and any regulation or other action made, prescribed, issued, granted, or performed in respect of or by any agency or function affected by a reorganization under the provisions of this Act, before the effective date of such reorganization, shall, except to the extent rescinded, modified, superseded, or made inapplicable by or under authority of law or by the abolition of a function, have the same effect as if such reorganization had not been made; but where any such statute, regulation, or other action has vested the function in the agency from which it is removed under the plan, such function shall, insofar as

it is to be exercised after the plan becomes effective, be considered as vested in the agency under which the function is placed by the plan.

(2) As used in paragraph (1) of this subsection the term "regulation or other action" means any regulation, rule, order, policy, determination, directive, authorization, permit, privilege, requirement, designation, or other action.

(b) No suit, action, or other proceeding lawfully commenced by or against the head of any agency or other officer of the United States, in his official capacity or in relation to the discharge of his official duties, shall abate by reason of the taking effect of any reorganization plan under the provisions of this Act, but the court may, on motion or supplemental petition filed at any time within twelve months after such reorganization plan takes effect, showing a necessity for a survival of such suit, action, or other proceeding to obtain a settlement of the questions involved, allow the same to be maintained by or against the successor of such head or officer under the reorganization effected by such plan or, if there be no such successor, against such agency or officer as the President shall designate.

UNEXPENDED APPROPRIATIONS

SEC. 10. The appropriations or portions of appropriations unexpended by reason of the operation of this Act shall not be used for any purpose, but shall be impounded and returned to the Treasury.

PRINTING OF REORGANIZATION PLANS

SEC. 11. Each reorganization plan which shall take effect shall be printed in the Statutes at Large in the same volume as the public laws, and shall be printed in the Federal Register.

TITLE II

SEC. 201. The following sections of this title are enacted by the Congress:

(a) As an exercise of the rule-making power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in such House in the case of resolutions (as defined in section 202); and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(b) With full recognition of the constitutional right of either House to change such rules (so far as relating to the procedure in such House) at any time, in the same manner and to the same extent as in the case of any other rule of such House.

SEC. 202. As used in this title, the term "resolution" means only a resolution of either of the two Houses of Congress, the matter after the resolving clause of which is as follows: "That the ——— does not favor the reorganization plan numbered — transmitted to Congress by the President on ———, 19—.", the first blank space therein being filled with the name of the resolving House and the other blank spaces therein being appropriately filled; and does not include a resolution which specifies more than one reorganization plan.

SEC. 203. A resolution with respect to a reorganization plan shall be referred to a committee (and all resolutions with respect to the same plan shall be referred to the same committee) by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

SEC. 204. (a) If the committee to which has been referred a resolution with respect to a reorganization plan has not reported it before the expiration of ten calendar days after its introduction, it shall then (but not before) be in order to move either to discharge the committee from further consideration of such resolution, or to discharge the committee from further consideration of any other resolution with respect to such reorganization plan which has been referred to the committee.

(b) Such motion may be made only by a person favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same reorganization plan), and debate thereon shall be limited to not to exceed one hour, to be equally divided between those favoring and those opposing the resolution. No amendment to such motion shall be in order, and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

(c) If the motion to discharge is agreed to or disagreed to, such motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same reorganization plan.

SEC. 205. (a) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to a reorganization plan, it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of such resolution. Such motion shall be highly privileged and shall not be debatable. No amendment to such motion shall be in order and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

(b) Debate on the resolution shall be limited to not to exceed ten hours, which shall be equally divided between those favoring and those opposing the resolution. A motion further to limit debate shall not be debatable. No amendment to, or motion to recommit, the resolution shall be in order, and it shall not be in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

SEC. 206. (a) All motions to postpone, made with respect to the discharge from committee, or the consideration of, a resolution with respect to a reorganization plan, and all motions to proceed to the consideration of other business, shall be decided without debate.

(b) All appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution with respect to a reorganization plan shall be decided without debate.

And the Senate agree to the same.

WILLIAM L. DAWSON,
CHET HOLIFIELD,
JOHN W. McCORMACK
CLARE E. HOFFMAN,
HAROLD O. LOVRE,

Managers on the Part of the House.

JOHN L. McCLELLAN,
JAMES O. EASTLAND,
CLYDE R. HOEY,
IRVING M. IVES,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2361) to provide for the reorganization of Government agencies, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute amendment. The conferees have agreed to a substitute for both the House bill and the Senate amendment. Except for clarifying, clerical, and necessary conforming changes, the following statement explains the differences between the House bill and the substitute agreed to in conference.

DISAPPROVAL BY CONGRESS

The House bill provided that a reorganization plan should take effect upon the expiration of the first period of sixty calendar days of continuous session of the Congress following the date the plan was transmitted to Congress, unless during such period the two Houses passed a concurrent resolution disapproving the plan. The Senate amendment provided that a plan should take effect upon the expiration of such period unless during such period either House passed a simple resolution disapproving the plan. The conference substitute provides that a plan shall take effect upon the expiration of such period unless during such period either House passes such a simple resolution by the affirmative vote of a majority of the authorized membership of that House; that is, 49 Members of the Senate or 218 Members of the House as Congress is now constituted.

LIMITATIONS ON REORGANIZATION POWERS

The House bill contained the following provision (sec. 5 (b)):

A reorganization plan providing for a reorganization affecting any agency named below in this subsection may not provide also for a reorganization which does not affect such agency; except that this prohibition shall not apply to the transfer to such agency of the whole or any part of, or the whole or any part of the functions of, any agency not so named. No provision contained in a reorganization plan shall take effect if the reorganization plan is in violation of this subsection. The agencies above referred to in this subsection are as follows: National Military Establishment, Board of Governors of the Federal Reserve System, Interstate Commerce Commission, Securities and Exchange Commission, Railroad Retirement Board, National Mediation Board, and National Railroad Adjustment Board.

The Senate amendment eliminated this provision but contained a provision in section 2 (b) that the Congress declared it to be in the public interest that each reorganization plan contain only related reorganizations. Neither provision is included in the conference substitute.

The House bill contained a provision that no reorganization plan should provide for, and no reorganization under the bill should have the effect of, establishing any new executive department, or designating any agency as "Department" or its head as "Secretary". The Senate amendment eliminated this prohibition and it is not included in the conference substitute. The conference substitute therefore authorizes the President to provide for a new executive department in a reorganization plan.

The House bill granted permanent reorganization powers to the President. The Senate amendment, section 5 (b), limited the powers granted under the act so that no provision contained in a reorganization plan would take effect unless the plan is transmitted to Congress before April 1, 1953. The conference substitute contains this provision of the Senate amendment.

DISTRICT OF COLUMBIA OFFICERS

Both the House bill and the Senate amendment provided that where a reorganization plan includes a provision for the appointment of an officer not under the classified civil service, the appointment should be by the President, by and with the advice and consent of the Senate. The Senate amendment excepted officers of the District of Columbia municipal government from this provision, and provided that such officers should be appointed by the Board of Commissioners or other body or officer of such government designated in the plan. The conference substitute follows the language of the Senate amendment.

PRESIDENT'S MESSAGE TRANSMITTING REORGANIZATION PLAN

The Senate amendment provided that the President, in his message transmitting a reorganization plan, should specify the reduction of expenditures (itemized so far as practicable) which would probably be brought about by the taking effect of the plan. This provision is included in the conference substitute.

WILLIAM L. DAWSON,
CHET HOLIFIELD,
JOHN W. McCORMACK,
CLARE E. HOFFMAN,
HAROLD O. LOVRE,
Managers on the Part of the House.





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Senate

(Legislative day of Thursday, June 2, 1949)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God of all mercies, at this ancient altar of dedication to the things unseen and eternal, we bow with the confident assurance that the faith of the founding fathers is living still in this dear land for whose dream of freedom they were willing to dare and to die. Spirit of Life, in this new dawn give us the faith that follows on. Thou hast called us to play our part in one of the creative hours of human history. Help us so to speak and so to act in this day of destiny that tomorrow we may live unashamed with our memories. Across the debris of ancient wrongs may our glad eyes see the glory of the coming of the Lord as selfish exploitation makes way for brotherhood and for man. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, June 15, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT— APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On June 15, 1949:

S. 147. An act for the relief of H. Lawrence Hull.

On June 16, 1949:

S. 714. An act to provide for comprehensive planning, for site acquisition in and outside of the District of Columbia, and for the design of Federal building projects outside of the District of Columbia; to authorize the transfer of jurisdiction over certain lands between certain departments and agencies of the United States; and to provide certain additional authority needed in connection with the construction, management, and operation of Federal public buildings; and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the

House had passed, without amendment, the joint resolution (S. J. Res. 55) to print the monthly publication entitled "Economic Indicators."

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 1338) authorizing the transfer to the United States section, International Boundary and Water Commission, by the War Assets Administration of a portion of Fort Brown, at Brownsville, Tex., and adjacent borrow area, without exchange of funds or reimbursement.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2361) to provide for the reorganization of Government agencies, and for other purposes.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 4878. An act to authorize certain Government printing, binding, and blank-book work elsewhere than at the Government Printing Office if approved by the Joint Committee on Printing; and

H. R. 5007. An act to provide pay, allowances, and physical disability retirement for members of the Army, Navy, Air Force, Marine Corps, Coast Guard, Coast and Geodetic Survey, Public Health Service, the Reserve components thereof, the National Guard, and the Air National Guard, and for other purposes.

The message further announced that the House had agreed to the concurrent resolution (S. Con. Res. 19) authorizing the printing of additional copies of prayers offered by the Chaplain, the Reverend Peter Marshall, D. D., at the opening of the daily sessions of the Senate of the United States during the Eightieth and Eighty-first Congresses.

The message also announced that the House had agreed to the following concurrent resolutions, in which it requested the concurrence of the Senate:

H. Con. Res. 45. Concurrent resolution authorizing the Committee on Foreign Affairs to procure 2,000 additional copies of its hearings on the bill (H. R. 2362) to amend an act

entitled "The Economic Cooperation Act of 1948," approved April 3, 1948; and

H. Con. Res. 57. Concurrent resolution authorizing the Committee on the Judiciary of the House of Representatives to have printed additional copies of the hearings held before said committee on the bills entitled "Amend the Constitution With Respect to Election of President and Vice President."

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Humphrey	Morse
Anderson	Hunt	Mundt
Bricker	Ives	Neely
Cain	Jenner	O'Mahoney
Capehart	Johnson, Colo.	Reed
Chapman	Johnson, Tex.	Robertson
Chavez	Johnston, S. C.	Saltonstall
Connally	Kefauver	Schoeppel
Donnell	Kem	Smith, Maine
Douglas	Kerr	Taft
Eastland	Kilgore	Taylor
Flanders	Lodge	Thomas, Utah
Frear	Long	Thye
Gillette	Lucas	Tobey
Graham	McCarthy	Tydings
Green	McClellan	Watkins
Gurney	McFarland	Wherry
Hayden	McKellar	Wiley
Hendrickson	Malone	Withers
Hill	Martin	Young
Hoey	Maybank	
Holland	Miller	

Mr. LUCAS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from California [Mr. DOWNEY], the Senator from Louisiana [Mr. ELLENDER], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Georgia [Mr. GEORGE], the Senator from Nevada [Mr. MCCARRAN], the Senator from Rhode Island [Mr. McGRATH], the Senator from Montana [Mr. MURRAY], the Senator from Pennsylvania [Mr. MYERS], the Senator from Florida [Mr. PEPPER], the Senator from Georgia [Mr. RUSSELL], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Oklahoma [Mr. THOMAS] are detained on official business in meetings of committees of the Senate.

The Senator from Washington [Mr. MAGNUSON] is absent on public business.

The Senator from Connecticut [Mr. McMAHON] is absent on official business, presiding at a meeting of the Joint Committee on Atomic Energy in connection

with an investigation of the affairs of the Atomic Energy Commission.

The Senator from Maryland [Mr. O'CONNOR] is absent on official business, having been appointed a delegate to the International Labor Conference at Geneva, Switzerland.

The Senator from Mississippi [Mr. STENNIS] is absent because of illness.

The Senator from New York [Mr. WAGNER] is necessarily absent.

Mr. SALTONSTALL. I announce that the Senator from Connecticut [Mr. BALDWIN] and the Senator from New Jersey [Mr. SMITH] are absent because of illness.

The Senator from Maine [Mr. BREWSTER] is necessarily absent.

The Senator from Montana [Mr. ECTON] is absent on official business.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Oregon [Mr. CORDON], and the Senator from Michigan [Mr. FERGUSON] are detained because of their attendance at a meeting of the Committee on Appropriations.

The Senator from Iowa [Mr. HICKENLOOPER], the Senator from California [Mr. KNOWLAND], the Senator from Colorado [Mr. MILLIKIN], and the Senator from Michigan [Mr. VANDENBERG] are in attendance at a meeting of the Joint Committee on Atomic Energy.

The Senator from Nebraska [Mr. BUTLER] and the Senator from Delaware [Mr. WILLIAMS] are detained because of their attendance at a meeting of the Committee on Finance.

The Senator from North Dakota [Mr. LANGER] is detained at a meeting of the Committee on the Judiciary.

By order of the Senate, the following announcement is made:

The members of the Joint Committee on Atomic Energy are in attendance at a meeting of the said committee in connection with an investigation of the affairs of the Atomic Energy Commission.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

Mr. TYDINGS. Mr. President, I ask unanimous consent that the Chair recognize Senators for the presentation of routine matters.

The VICE PRESIDENT. Without objection, it is so ordered.

NOMINATIONS IN THE MILITARY ESTABLISHMENT

Mr. TYDINGS. Mr. President, as in executive session, from the Committee on the Armed Services, I report routine promotions in the military establishment. They come from the committee unanimously. No objection has been made to any of the individuals involved, from any source whatsoever.

The VICE PRESIDENT. Without objection, the nominations will be received.

Mr. TYDINGS. Mr. President, I ask unanimous consent for the immediate consideration of nominations for promotions.

The VICE PRESIDENT. Is there objection?

Mr. WHERRY. Mr. President, reserving the right to object, I will say I am sorry I did not hear all the Senator's statement. Are these routine promotions in the Army?

Mr. TYDINGS. They are routine promotions in the Army, unanimously reported from the Committee on Armed Services. They are promotions in the military establishment, and there was no objection to any of them.

The VICE PRESIDENT. Is there objection to the present consideration of the nominations? The Chair hears none, and without objection, as in executive session, the nominations are confirmed, and the President will be notified.

REORGANIZATION ACT OF 1949 — CONFERENCE REPORT

Mr. McCLELLAN. I send to the desk a conference report and ask for its immediate consideration.

The VICE PRESIDENT. The report will be read.

The legislative clerk read the report. (For conference report, see today's proceedings of the House of Representatives on pp. 7983-7985.)

Mr. WHERRY. Mr. President, does the conference report deal with the reorganization of Government agencies?

Mr. McCLELLAN. It does.

Mr. WHERRY. I understand that one of the points of difference between the two Houses was whether both Houses should be required to vote on a plan of reorganization. Will the Senator from Arkansas please explain to the Senate what agreement was reached by the conferees?

Mr. McCLELLAN. I am very glad to make a brief statement about the matter. Of course, Senators can obtain full information by reading the report.

Members of the Senate will recall that the Senate passed its version of the bill as a substitute for the House bill. The House bill contained what is called one-package exemptions or "one package" treatment, provisions for seven specific agencies of the Government.

The House bill also provided that a reorganization plan submitted by the President would go into effect within 60 days of its submission to Congress unless both Houses of Congress adopted a concurrent resolution disapproving the plan within that period of time.

The Senate bill contained no one-package provision, contained no exemptions of any agencies whatsoever. But it provided that either House, by simple resolution, might veto the plan within the 60-day period of time.

The conferees have agreed, and the House has approved, the elimination of the exemptions and of the one-package provision, and accepted the Senate version of the bill on that score. The conferees also agreed to accept, and the House has approved, the Senate provision for a one-House veto, modified to this extent, that a constitutional majority of one House shall be required to reject a reorganization plan.

The virtue of the one-House veto, as I see it, is that neither branch of the Congress abdicates its power to disapprove a plan. I think we went a little further, perhaps, than we should, but in order to get an agreement, in order to get the best bill the conferees could agree upon, the Senate conferees yielded to a modification of its one-House veto provision to the extent of requiring the veto be by a constitutional majority.

Mr. IVES. Mr. President, if the Senator will yield to me to permit me to make a statement on this subject, I should like to do so.

Mr. McCLELLAN. I shall be glad to yield the floor in a moment.

The VICE PRESIDENT. The Senator from New York can be recognized in his own time.

Mr. McCLELLAN. The House bill had no expiration date. The Senate bill has the date of April 1, 1953. Let me explain the reason why that provision was placed in the bill in the committee and approved by the Senate. I believe that reorganization should be a continuing program. However, if there is no expiration date, Congress, busily occupied as it is, would probably never review the matter to find out how the program was working. So we inserted that provision, which gives full power to the present administration during its present term and to the succeeding administration for the first ensuing Congress. The President would have to submit his plans in about that time by April 1 in order to allow Congress a 60-day period in which to reject them. So the expiration date runs over into the next Presidential administration, but cuts off at the end of the first ensuing Congress.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. WILEY. As I understand the bill, the period of expiration runs into 1953, and the President can go ahead and practically put into effect the Hoover recommendations, and by a constitutional majority either House can veto any reorganization which the President puts into effect.

Mr. McCLELLAN. That is correct.

Mr. WILEY. That is all there is to the bill.

Mr. McCLELLAN. That is all there is to it. The President is not restricted, limited, or circumscribed in any way as to the kind of plan he submits, or as to what agencies may be included in it; but each House, by independent action, can reject the plan by a constitutional majority.

The Senate provision called for a simple majority. There is some objection to the provision. In this whole proceedings we are having to disregard some integrity of legislative process. We are delegating some legislative power; but by having a one-House veto, neither House absolutely abrogates its power or renders itself impotent and powerless to veto a plan if it feels that the plan is not good or sound. So we have preserved that much of the legislative integrity. However, the veto must be by constitutional majority.

The VICE PRESIDENT. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. IVES. Mr. President, I wish to commend the splendid leadership of the chairman of the Senate conferees, the able Senator from Arkansas, who has just spoken. We were faced with a rather difficult situation, in view of the fact that the two bills basically did not coincide. They were in extreme conflict. We had the House bill, with the require-

ment for two vetoes, with exceptions. We had the Senate bill without exceptions—a perfectly clean bill, with a single-House veto. The job was to reconcile them. We did reconcile them, and we reconciled them in what I consider to be the soundest manner possible. We simply compromised by keeping the Senate version and requiring that the single-House veto to prevent adoption of a reorganization plan be by constitutional majority of either House.

In my judgment, the bill now before the Senate is superior to either the bill which was passed by the House or the bill which was passed by the Senate. For once a bill has come out of conference which is better than the bill passed in either House, and I certainly hope it will receive the full support of the Senate.

Mr. LODGE. Mr. President, I wish to express my gratification that the conferees have done such a good work. This is a proposal which has been nonpartisan and bipartisan from the very beginning—at the time the bill was passed, in the appointment of members of the Commission, and in the approach which the members of the Commission took. Although we have had a change in party control in Washington since the reorganization bill was passed by the support for this effort has continued on the same bipartisan plane on which it began. I think it is a very happy day for all those who believe in efficient and economical government, for all who feel that the downfall of popular government in other parts of the world has been due to the fact that government over there became inefficient. Now we are about to have a reorganization act which will enable the President to clear away the cobwebs and make our popular system of Government as effective as we all want it to be.

I congratulate the conferees.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

Mr. LUCAS subsequently said: Mr. President, a few moments ago when the conference report on the Reorganization Act of 1949 was being submitted by the able Senator from Arkansas [Mr. McCLELLAN], I was temporarily absent from the Chamber, on important business. I desire to say a word or two in connection with the conference report.

First, I wish to congratulate the managers on the part of the House of Representatives and the managers on the part of the Senate for finally agreeing upon the report which was submitted to the Senate by the Senator from Arkansas. Especially do I wish to pay a compliment to the Senator from Arkansas, the chairman of the committee, for the part he played, and also to the Honorable WILLIAM L. DAWSON, who is chairman of the House committee, who played a prominent part in arriving at an agreement upon this important piece of legislation.

Furthermore, Mr. President, I wish to say that I have communicated with the President of the United States in regard to this measure, and I understand that it is acceptable to him and that he will

sign it when it reaches him, and that thereafter a number of plans will be submitted to the Congress, for its very serious and careful consideration.

PUBLICITY GIVEN TO FBI DOCUMENTS

Mr. McCARTHY. Mr. President, I have before me an informative article written by David Lawrence entitled "FBI Seen Weakened by Publicity Given Secret Documents." Normally I would merely ask to have the article printed in the Appendix of the RECORD; but at this time I wish to take the liberty of imposing upon the Senate to the extent of reading the article.

The VICE PRESIDENT. That can be done at this time only by unanimous consent, because the unanimous-consent agreement was that routine matters be presented without debate.

Mr. McCARTHY. Then, Mr. President, I ask unanimous consent that I be allowed to read the article into the RECORD at this time.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from Wisconsin may proceed.

Mr. McCARTHY. The article reads as follows:

FBI SEEN WEAKENED BY PUBLICITY GIVEN SECRET DOCUMENTS—WILL LOSE INFORMANTS WHO FEAR FOR LIVES IN ESPIONAGE WORK

(By David Lawrence)

Had the Coplon trial been held in England, there would have been no embarrassment for anyone not directly connected with the case. The judge would have ruled on the FBI files in private, and the attorneys would have had a chance to examine any secret documents without fear that outside persons would have access to confidential data of the Government.

Nobody here is at fault for the unfortunate publicity that has occurred. The FBI didn't want its files made public. The judge had no choice when the defense insisted on seeing the documents—he had to order them produced.

But it must be borne in mind that the Justice Department itself did have a choice. It could have suppressed the FBI files and withdrawn and let the case be lost by default. It chose instead to take the risks. The FBI, as a subordinate unit of the Justice Department, didn't make the decision. Had it been left to the FBI, the case would have been dropped because the Bureau values its sources of information more than it does the winning of a single case.

PRINCIPLE INVOLVED

For there's a fundamental principle involved. The FBI gathers all sorts of information. Some of it is gossip and may be proved untrue. What is put in the agents' reports isn't evidence. It is merely a memorandum to the head office covering everything heard or rumored. It is up to the head office to piece together from various agents' reports that which may properly be presented as evidence in a courtroom.

This is the method of every investigation bureau, public or private. Nobody has ever demanded the personal correspondence of any high official and gotten it into court. In fact, the President has insisted that another branch of the Government cannot receive even official documents or letters or correspondence if the executive branch deems it incompatible with public interest to divulge such data.

Having refused to give such material to Congress, it is logical that the executive branch may refuse to give it to the judiciary. In the Coplon case, the Justice Department

could have refused to produce the files and no judge could have compelled their disclosure. But the case would have been withdrawn.

What are the damaging consequences of recent disclosures? These probably will never be measured. Nobody will ever know what happened to the informants mentioned in the FBI files and now revealed. The public may not discern who the informants were but it seems a safe guess that the persons concerned will know.

INFORMANT MAY LOSE LIFE

It is a safe guess, too, that the Russian Government will be able to figure out who was an informant inside the Russian Embassy. Names are not given, but circumstances are very revealing. Not only will the informant be lost to the FBI, but his or her life may be lost also.

Unhappily, the public attitude toward espionage is not an informed one. Many people don't like the idea of spying or counterspying. They don't like to see the American Government engaging in it, either. But in a period of cold war such things are part of the routine of all governments.

Back in 1941 the FBI monitored a radio telephone conversation between Hawaii and Japan and called attention to it. Also, the FBI wanted to get at the messages which were filed by the Japanese consulate for transmission to Japan before the attack on Pearl Harbor, but the Federal Communications Commission in Washington refused to allow the American communication companies in Hawaii to give up the messages to the FBI. One of those messages, it was learned afterward, told the Japanese Navy Department in Tokyo what the signals would be to the carrier planes of the Japanese Fleet when they reached Pearl Harbor. Better espionage might have alerted the fleet at Pearl Harbor and saved many American lives.

As long as unscrupulous governments exist, espionage is just as much a defensive measure as any form of armament. It is regrettable that the FBI will be weakened in handling espionage by a fear on the part of informants that they may be mentioned in FBI reports that could become public. It would have been better to have dropped the case than to have allowed the FBI files to be published.

PRINTING, BINDING, AND DISTRIBUTION OF PUBLIC DOCUMENTS

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of State, transmitting a draft of proposed legislation to amend an act entitled "An act providing for the public printing and binding and the distribution of public documents," approved January 12, 1895, as amended, which, with the accompanying paper, was referred to the Committee on Rules and Administration.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, and referred as indicated:

By the VICE PRESIDENT:

A joint resolution of the Legislature of California; to the Committee on Labor and Public Welfare:

"Senate Joint Resolution 29

"Joint resolution relative to supplemental direct loans to veterans

"Whereas loans to veterans, under the provisions of the Servicemen's Readjustment Act of 1944 have been greatly restricted due to refusal of money-lending institutions to make such loans even though guaranteed by the Federal Government; and

"Whereas there is still a great need for veterans' home loans at rates of interest within the ability of those who have served

faithfully in their country's service, to pay; and

"Whereas there is now pending before Congress legislation which would provide for direct loans to veterans for homes in cases where they are unable to obtain loans from private lending institutions at an interest rate not in excess of 4 percent per annum: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California (jointly), That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to enact the pending legislation, to wit, Senate bill No. S. 686, which will provide for direct loans to veterans for homes under the Servicemen's Readjustment Act of 1944 at a rate of interest of not greater than 4 percent per annum, when they are unable to obtain such loans from established lending institutions; and be it further

"Resolved, That the secretary of the senate be hereby directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representatives from California in the Congress of the United States."

A resolution adopted by the Property Owners Association of America, in convention at Kansas City, Mo., favoring the repeal of the rent-control law; to the Committee on Banking and Currency.

A resolution adopted by the Property Owners Association of America, in convention at Kansas City, Mo., favoring the repeal of the fire-egress law in the District of Columbia; to the Committee on the District of Columbia.

A resolution adopted by the Property Owners Association of America, in convention at Kansas City, Mo., relating to communism, and so forth; to the Committee on the Judiciary.

A resolution adopted by the Property Owners Association of America, in convention at Kansas City, Mo., relating to the National Housing Act, and so forth; ordered to lie on the table.

A resolution adopted by the Confederate Air Force, of Miami, Fla., relating to pensions for surviving Confederate Army veterans; to the Committee on Finance.

A resolution adopted by the board of directors of the American ORT Federation, of New York, N. Y., expressing appreciation for the enunciation and implementation of the United States policy toward Israel; to the Committee on Foreign Relations.

Resolutions adopted by the Board of Water and Power Commissioners of the City of Los Angeles and the Los Angeles City Council, both in the State of California, favoring the enactment of Senate Joint Resolution 4, authorizing a suit in the United States Supreme Court to adjudicate the respective rights of the States of Arizona, Nevada, and California to the use of the waters of the Colorado River; to the Committee on Interior and Insular Affairs.

A resolution adopted by the Sixth Conference of the Inter-American Bar Association, relating to the liberalization of the displaced persons' law; to the Committee on the Judiciary.

A resolution adopted by the board of trustees of the village of Oak Park, Ill., favoring the enactment of legislation proclaiming October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

Resolutions adopted by the Missouri State Dental Assistants Association, of Kansas City, Mo.; the Northwest District Dental Society, of Hayward, Wis.; the board of managers of the Church Charity Foundation of Long Island, N. Y.; and the Central Wisconsin Dental Society, of Mosinee, Wis., protesting against the enactment of legislation provid-

ing compulsory health insurance; to the Committee on Labor and Public Welfare.

A petition of sundry colored veterans of McComb, Miss., relating to their status under the Veterans' Educational Program; to the Committee on Labor and Public Welfare.

A petition signed by B. R. Carney, and sundry other citizens of the State of Washington, praying for the enactment of Senate bill 578, to provide service connection of disabilities aggravated by military or naval service; to the Committee on Labor and Public Welfare.

A resolution adopted by the Ninth District, Department of Virginia, the American Legion, relating to the extension of time during which readjustment allowances may be paid until July 25, 1954, and so forth; to the Committee on Labor and Public Welfare.

A resolution adopted by the National Oil Jobbers Council, favoring an investigation as to the adverse effects upon jobbers of the decision of the United States Court of Appeals for the Seventh Circuit in the case of *Standard Oil Company v. Federal Trade Commission*, etc.; ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

S. 1440. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to provide for payment of annuities to widows of retired employees without reduction in the annuities of such employees; with amendments (Rept. No. 506).

By Mr. TYDINGS, from the Committee on Armed Services:

S. 509. A bill to provide for the advancement of commissioned Warrant Officer Chester A. Davis, United States Marine Corps (retired), to the rank of lieutenant colonel on the retired list; without amendment (Rept. No. 507).

S. 1507. A bill to amend section 10 of the act of August 2, 1946, relating to the receipt of pay, allowances, travel, or other expenses while drawing a pension, disability allowance, disability compensation, or retired pay, and for other purposes; with an amendment (Rept. No. 508); and

S. 1578. A bill to authorize the Secretary of the Army to proceed with construction at stations of the Alaska Communication System; with an amendment (Rept. No. 509).

By Mr. JOHNSON of Colorado, from the Committee on Interstate and Foreign Commerce:

S. 447. A bill to amend the Civil Aeronautics Act of 1938, as amended, to regulate the transportation, packing, marking, and description of explosives and other dangerous articles; with amendments (Rept. No. 511);

S. 1278. A bill to fix the United States share of project costs, under the Federal Airport Act, involved in installation of high intensity lighting on CAA designated instrument landing runways; with amendments (Rept. No. 513);

S. 1279. A bill to amend the Federal Airport Act so as to provide that minimum rates of wages need be specified only in contracts in excess of \$2,000; without amendment (Rept. No. 514); and

H. R. 781. A bill to amend title II of the Civil Aeronautics Act of 1938, as amended; with an amendment (Rept. No. 512).

AMENDMENT OF UNITED NATIONS PARTICIPATION ACT OF 1945—REPORT OF A COMMITTEE

Mr. CONNALLY. Mr. President, from the Committee on Foreign Relations, I report an original bill, to amend the

United Nations Participation Act of 1945, and I submit a report (No. 510) thereon.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar.

The bill (S. 2093) to amend the United Nations Participation Act of 1945 to provide for the appointment of representatives of the United States in the organs and agencies of the United Nations, and to make other provision with respect to the participation of the United States in such organization, reported by Mr. CONNALLY from the Committee on Foreign Relations, was read twice by its title, and ordered to be placed on the calendar.

REPORTS ON DISPOSITION OF EXECUTIVE PAPERS

Mr. JOHNSTON of South Carolina, from the Joint Select Committee on the Disposition of Executive Papers, to which were referred for examination and recommendation two lists of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted reports thereon pursuant to law.

BILLS INTRODUCED

Bills were introduced, read the first time, and by unanimous consent, the second time, and referred as follows:

By Mr. MILLER (for himself and Mr. MAGNUSON):

S. 2088. A bill authorizing the construction of a multipurpose reservoir on the Kootenai River near Jennings, Mont., for flood control, and other beneficial purposes; to be named, on completion, Truman Dam; to the Committee on Public Works.

By Mr. O'MAHONEY (for himself, Mr. HUNT, Mr. GURNEY, Mr. MUNDT, Mr. CORDON, Mr. MORSE, Mr. CAIN, and Mr. MAGNUSON):

S. 2089. A bill to approve contracts negotiated with the Belle Fourche irrigation district, the Deaver irrigation district, the Westland irrigation district, the Stanfield irrigation district, the Vale, Oreg., irrigation district, and the Prosser irrigation district, to authorize their execution, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. JOHNSON of Colorado:

S. 2090. A bill for the relief of the Denver Live Stock Exchange; to the Committee on the Judiciary.

By Mr. THOMAS of Oklahoma:

S. 2091. A bill to provide financing for the construction and improvement of facilities for the marketing of farm products, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. McMAHON:

S. 2092. A bill for the relief of Rosa Ottaviani; to the Committee on the Judiciary.

(Mr. CONNALLY, from the Committee on Foreign Relations, reported an original bill (S. 2093) to amend the United Nations Participation Act of 1945 to provide for the appointment of representatives of the United States in the organs and agencies of the United Nations, and to make other provision with respect to the participation of the United States in such organization, which was ordered to be placed on the calendar, and appears under a separate heading.)

By Mr. BUTLER:

S. 2094. A bill to increase the maximum amount of any deposit or trust fund which may be insured by the Federal Deposit Insurance Corporation under section 12B of the Federal Reserve Act, as amended; to the Committee on Banking and Currency.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

GOVERNMENT SPENDING

Mr. RICH. Mr. Speaker, you all realize that we are going to be \$2,000,000,000 in the red this year. If you do not realize it you ought to, and you ought to give serious consideration to it—the results of the Eighty-first Congress. As things stand now we will be \$2,000,000,000 in the red, and many things are being proposed that will cost billions of dollars more. Federal aid to education, socialized medicine, arming the world, ECA—aid to Greece, Turkey, Korea, and so forth. This bubble is going to burst in your face some day, and then you will be accused by the people of this country of wrecking the country financially. The responsibility rests directly upon the Congress of the United States. You each have your own responsibility. Every time you vote millions and billions of dollars of the taxpayers' money, when the taxpayers are hollering for relief, remember it is your fault. Too many Members of Congress now think that every time somebody wants something we ought to give it to him. I say you should screen every request for more Government money for new and old projects with a fine-tooth comb.

I was interested this morning in noting the total amount we have been subscribing to ECA. The amount Pennsylvania has to provide for it is \$387,294,000. If the Members of Congress from Pennsylvania all voted for ECA and then told the people back in Pennsylvania that they have to pay \$387,000,000, the people back home ought to think of what we as Pennsylvanians are doing. We put up to them to be taxed to pay the bill. The same thing applies to every State. I can tell you what each State has to pay. If you want to know the amount, just ask me the question and I will tell you, right from this statement. No requests, all must be satisfied—I am not. The socialized things we are supposed to put through at this session just do not make sense to me. They all cost money, much money, and increased cost means increased taxes.

When you spend you pay.

The more you spend the more you tax. We have enough taxes, so stop spending. Be wise and economize.

PERMISSION TO ADDRESS THE HOUSE

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include an article from the Star-Herald at Scottsbluff, Nebr.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

DEDICATION OF MORRILL COUNTY HOSPITAL

Mr. MILLER of Nebraska. Mr. Speaker, the good folks of Morrill County dedicated a community hospital last Sunday. I had a small part in this program.

It is interesting to note that the people of this community built this hospital without Federal funds. The hospital is paid for. These people have real community spirit. The pioneers who make up Morrill County and the surrounding territory live close enough to the soil and the sun to realize and appreciate the things that make America great. One of these cardinal principles is that of individual initiative and enterprise. They make their own security. They want freedom. They are not looking to the Government for assistance on each and every occasion. I wish we had more communities like the one in Morrill County. I commend their activity to my colleagues.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Nebraska. I yield to the gentleman from Pennsylvania.

Mr. RICH. I congratulate the gentleman and the people in his State. We need more of that kind of American spirit.

Mr. MILLER of Nebraska. I thank the gentleman.

Mr. Speaker, the editorial to which I referred is as follows:

MORRILL COUNTY'S PRIDE

The people of Morrill County Sunday will dedicate their new hospital in Bridgeport. There will be a noonday outdoor picnic and lunch, followed by a parade in which war veterans, Boy Scouts, bands, and other organizations will participate. Representative A. L. MILLER will come there from Washington to make an address as part of the dedication ceremony.

The achievement of the citizens of Morrill County is extremely outstanding. They spurned all grants and gifts from the Federal Government's coffers, accepted no Government help of any kind. They planned, built, and financed this hospital themselves. They bought the furnishings and equipment themselves. Everything went into it—tag days, bake sales, raffles, lodge and church collections, club appropriations, dedicatory gifts—every kind of method by which communities do things for themselves went into this project.

The hospital was built and furnished, ready for use, at a cost of around \$40,000. It is estimated that if the more or less conventional system of going after Government hand-outs had been used the outlay for the institution would probably have run to somewhere from \$80,000 to \$100,000.

The Morrill County Hospital at Bridgeport can truly be termed a grass-roots enterprise, planned and created by and for the people, financed by themselves for themselves. It is something of a throw-back to another day, a more rugged pioneer day when people did for themselves, instead of having it done for them. We hope people from all communities in this region will help the people of Morrill County celebrate an occasion in which they can feel the greatest pride.

REORGANIZATION OF GOVERNMENT AGENCIES

Mr. DAWSON submitted the following conference report and statement on the bill H. R. 2361, an act to provide for reorganization of Government agencies and for other purposes:

CONFERENCE REPORT (H. REPT. No. 843)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2361) to provide for the reorganization of Government agencies, and for other purposes, having met, after full and free conference,

have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"TITLE I

"Short title

"SECTION 1. This Act may be cited as the 'Reorganization Act of 1949'.

"Need for reorganizations

"SEC. 2. (a) The President shall examine and from time to time reexamine the organization of all agencies of the Government and shall determine what changes therein are necessary to accomplish the following purposes:

"(1) to promote the better execution of the laws, the more effective management of the executive branch of the Government and of its agencies and functions, and the expeditious administration of the public business;

"(2) to reduce expenditures and promote economy, to the fullest extent, consistent with the efficient operation of the Government;

"(3) to increase the efficiency of the operations of the Government to the fullest extent practicable;

"(4) to group, coordinate, and consolidate agencies and functions of the Government, as nearly as may be, according to major purposes;

"(5) to reduce the number of agencies by consolidating those having similar functions under a single head, and to abolish such agencies or functions thereof as may not be necessary for the efficient conduct of the Government; and

"(6) to eliminate overlapping and duplication of effort.

"(b) The Congress declares that the public interest demands the carrying out of the purposes specified in subsection (a) and that such purposes may be accomplished in great measure by proceeding under the provisions of this Act, and can be accomplished more speedily thereby than by the enactment of specific legislation.

"Reorganization plans

"SEC. 3. Whenever the President, after investigation, finds that—

"(1) the transfer of the whole or any part of any agency, or of the whole or any part of the functions thereof, to the jurisdiction and control of any other agency; or

"(2) the abolition of all or any part of the functions of any agency; or

"(3) the consolidation or coordination of the whole or any part of any agency, or of the whole or any part of the functions thereof, with the whole or any part of any other agency or the functions thereof; or

"(4) the consolidation or coordination of any part of any agency or the functions thereof with any other part of the same agency or the functions thereof; or

"(5) the authorization of any officer to delegate any of his functions; or

"(6) the abolition of the whole or any part of any agency which agency or part does not have, or upon the taking effect of the reorganization plan will not have any functions, is necessary to accomplish one or more of the purposes of section 2 (a), he shall prepare a reorganization plan for the making of the reorganizations as to which he has made findings and which he includes in the plan, and transmit such plan (bearing an identifying number) to the Congress, together with a declaration that, with respect to each reorganization included in the plan, he has found that such reorganization is necessary to accomplish one or more of the purposes of section 2 (a). The delivery to both Houses shall be on the same day and shall be made to each House while it is in session. The President, in his message transmitting a re-

organization plan, shall specify with respect to each abolition of a function included in the plan the statutory authority for the exercise of such function, and shall specify the reduction of expenditures (itemized so far as practicable) which it is probable will be brought about by the taking effect of the reorganizations included in the plan.

"Other contents of plans"

"SEC. 4. Any reorganization plan transmitted by the President under section 3—

"(1) shall change, in such cases as he deems necessary, the name of any agency affected by a reorganization, and the title of its head; and shall designate the name of any agency resulting from a reorganization and the title of its head;

"(2) may include provisions for the appointment and compensation of the head and one or more other officers of any agency (including an agency resulting from a consolidation or other type of reorganization) if the President finds, and in his message transmitting the plan declares, that by reason of a reorganization made by the plan such provisions are necessary. The head so provided for may be an individual or may be a commission or board with two or more members. In the case of any such appointment the term of office shall not be fixed at more than four years, the compensation shall not be at a rate in excess of that found by the President to prevail in respect of comparable officers in the executive branch, and, if the appointment is not under the classified civil service, it shall be by the President, by and with the advice and consent of the Senate, except that, in the case of any officer of the municipal government of the District of Columbia, it may be by the Board of Commissioners or other body or officer of such government designated in the plan;

"(3) shall make provision for the transfer or other disposition of the records, property, and personnel affected by any reorganization;

"(4) shall make provision for the transfer of such unexpended balances of appropriations, and of other funds, available for use in connection with any function or agency affected by a reorganization, as he deems necessary by reason of the reorganization for use in connection with the functions affected by the reorganization, or for the use of the agency which shall have such functions after the reorganization plan is effective, but such unexpended balances so transferred shall be used only for the purposes for which such appropriation was originally made;

"(5) shall make provision for terminating the affairs of any agency abolished.

"Limitations on powers with respect to reorganizations"

"SEC. 5. (a) No reorganization plan shall provide for, and no reorganization under this Act shall have the effect of—

"(1) abolishing or transferring an executive department or all the functions thereof or consolidating any two or more executive departments or all the functions thereof; or

"(2) continuing any agency beyond the period authorized by law for its existence or beyond the time when it would have terminated if the reorganization had not been made; or

"(3) continuing any function beyond the period authorized by law for its exercise, or beyond the time when it would have terminated if the reorganization had not been made; or

"(4) authorizing any agency to exercise any function which is not expressly authorized by law at the time the plan is transmitted to the Congress; or

"(5) increasing the term of any office beyond that provided by law for such office; or

"(6) transferring to or consolidating with any other agency the municipal government of the District of Columbia or all those functions thereof which are subject to this Act, or abolishing said government or all said functions.

"(b) No provision contained in a reorganization plan shall take effect unless the plan is transmitted to the Congress before April 1, 1953.

"Taking effect of reorganizations"

"SEC. 6. (a) Except as may be otherwise provided pursuant to subsection (c) of this section, the provisions of the reorganization plan shall take effect upon the expiration of the first period of sixty calendar days, of continuous session of the Congress, following the date on which the plan is transmitted to it; but only if, between the date of transmittal and the expiration of such sixty-day period there has not been passed by either of the two Houses, by the affirmative vote of a majority of the authorized membership of that House, a resolution stating in substance that that House does not favor the reorganization plan.

"(b) For the purposes of subsection (a)—

"(1) continuity of session shall be considered as broken only by an adjournment of the Congress sine die; but

"(2) in the computation of the sixty-day period there shall be excluded the days on which either House is not in session because of an adjournment of more than three days to a day certain.

"(c) Any provision of the plan may, under provisions contained in the plan, be made operative at a time later than the date on which the plan shall otherwise take effect.

"Definition of 'agency'"

"SEC. 7. When used in this Act, the term 'agency' means any executive department, commission, council, independent establishment, Government corporation, board, bureau, division, service, office, officer, authority, administration, or other establishment, in the executive branch of the Government, and means also any and all parts of the municipal government of the District of Columbia except the courts thereof. Such term does not include the Comptroller General of the United States or the General Accounting Office, which are a part of the legislative branch of the Government.

"Matters deemed to be reorganizations"

"SEC. 8. For the purposes of this Act the term 'reorganization' means any transfer, consolidation, coordination, authorization, or abolition, referred to in section 3.

"Saving provisions"

"SEC. 9. (a) (1) Any statute enacted, and any regulation or other action made, prescribed, issued, granted, or performed in respect of or by any agency or function affected by a reorganization under the provisions of this Act, before the effective date of such reorganization, shall, except to the extent rescinded, modified, superseded, or made inapplicable by or under authority of law or by the abolition of a function, have the same effect as if such reorganization had not been made; but where any such statute, regulation, or other action has vested the function in the agency from which it is removed under the plan, such function shall, insofar as it is to be exercised after the plan becomes effective, be considered as vested in the agency under which the function is placed by the plan.

"(2) As used in paragraph (1) of this subsection the term 'regulation or other action' means any regulation, rule, order, policy, determination, directive, authorization, permit, privilege, requirement, designation, or other action.

"(b) No suit, action, or other proceeding lawfully commenced by or against the head of any agency or other officer of the United States, in his official capacity or in relation to the discharge of his official duties, shall abate by reason of the taking effect of any reorganization plan under the provisions of this Act, but the court may, on motion or supplemental petition filed at any time within twelve months after such reorganization plan takes effect, showing a necessity for a

survival of such suit, action, or other proceeding to obtain a settlement of the questions involved, allow the same to be maintained by or against the successor of such head or officer under the reorganization effected by such plan or, if there be no such successor, against such agency or officer as the President shall designate.

"Unexpended appropriations"

"SEC. 10. The appropriations or portions of appropriations unexpended by reason of the operation of this Act shall not be used for any purpose, but shall be impounded and returned to the Treasury.

"Printing of reorganization plans"

"SEC. 11. Each reorganization plan which shall take effect shall be printed in the Statutes at Large in the same volume as the public laws, and shall be printed in the Federal Register.

"TITLE II"

"SEC. 201. The following sections of this title are enacted by the Congress:

"(a) As an exercise of the rule-making power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in such House in the case of resolutions (as defined in section 202); and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

"(b) With full recognition of the constitutional right of either House to change such rules (so far as relating to the procedure in such House) at any time, in the same manner and to the same extent as in the case of any other rule of such House.

"SEC. 202. As used in this title, the term 'resolution' means only a resolution of either of the two Houses of Congress, the matter after the resolving clause of which is as follows: 'That the ----- does not favor the reorganization plan numbered -- transmitted to Congress by the President on -----, 19--', the first blank space therein being filled with the name of the resolving House and the other blank spaces therein being appropriately filled; and does not include a resolution which specifies more than one reorganization plan.

"SEC. 203. A resolution with respect to a reorganization plan shall be referred to a committee (and all resolutions with respect to the same plan shall be referred to the same committee) by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

"SEC. 204. (a) If the committee to which has been referred a resolution with respect to a reorganization plan has not reported it before the expiration of ten calendar days after its introduction, it shall then (but not before) be in order to move either to discharge the committee from further consideration of such resolution or to discharge the committee from further consideration of any other resolution with respect to such reorganization plan which has been referred to the committee.

"(b) Such motion may be made only by a person favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same reorganization plan), and debate thereon shall be limited to not to exceed one hour, to be equally divided between those favoring and those opposing the resolution. No amendment to such motion shall be in order, and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

"(c) If the motion to discharge is agreed to or disagreed to, such motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same reorganization plan.

"SEC. 205. (a) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to a reorganization plan, it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of such resolution. Such motion shall be highly privileged and shall not be debatable. No amendment to such motion shall be in order and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

"(b) Debate on the resolution shall be limited to not to exceed ten hours, which shall be equally divided between those favoring and those opposing the resolution. A motion further to limit debate shall not be debatable. No amendment to, or motion to recommit, the resolution shall be in order, and it shall not be in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

"SEC. 206. (a) All motions to postpone, made with respect to the discharge from committee, or the consideration of, a resolution with respect to a reorganization plan, and all motions to proceed to the consideration of other business, shall be decided without debate.

"(b) All appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution with respect to a reorganization plan shall be decided without debate."

And the Senate agree to the same.

WILLIAM L. DAWSON,
CHET HOLIFIELD,
JOHN W. MCCORMACK,
CLARE E. HOFFMAN,
HAROLD O. LOVRE,

Managers on the Part of the House.

JOHN L. MCCLELLAN,
JAMES O. EASTLAND,
CLYDE R. HOEY,
IRVING M. IVES,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2361) to provide for the reorganization of Government agencies, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute amendment. The conferees have agreed to a substitute for both the House bill and the Senate amendment. Except for clarifying, clerical, and necessary conforming changes, the following statement explains the differences between the House bill and the substitute agreed to in conference.

DISAPPROVAL BY CONGRESS

The House bill provided that a reorganization plan should take effect upon the expiration of the first period of sixty calendar days of continuous session of the Congress following the date the plan was transmitted to Congress, unless during such period the two Houses passed a concurrent resolution disapproving the plan. The Senate amendment provided that a plan should take effect upon the expiration of such period unless during such period either House passed a simple resolution disapproving the plan. The conference substitute provides that a plan shall take effect upon the expiration of such period unless during such period either House passes such a simple resolution by the affirmative vote of a majority of the authorized membership of that House; that is, 49

Members of the Senate or 218 Members of the House as Congress is now constituted.

LIMITATIONS ON REORGANIZATION POWERS

The House bill contained the following provision (sec. 5 (b)):

"A reorganization plan providing for a reorganization affecting any agency named below in this subsection may not provide also for a reorganization which does not affect such agency; except that this prohibition shall not apply to the transfer to such agency of the whole or any part of, or the whole or any part of the functions of, any agency not so named. No provision contained in a reorganization plan shall take effect if the reorganization plan is in violation of this subsection. The agencies above referred to in this subsection are as follows: National Military Establishment, Board of Governors of the Federal Reserve System, Interstate Commerce Commission, Securities and Exchange Commission, Railroad Retirement Board, National Mediation Board, and National Railroad Adjustment Board."

The Senate amendment eliminated this provision but contained a provision in section 2 (b) that the Congress declared it to be in the public interest that each reorganization plan contain only related reorganizations. Neither provision is included in the conference substitute.

The House bill contained a provision that no reorganization plan should provide for, and no reorganization under the bill should have the effect of, establishing any new executive department, or designating any agency as "Department" or its head as "Secretary". The Senate amendment eliminated this prohibition and it is not included in the conference substitute. The conference substitute therefore authorizes the President to provide for a new executive department in a reorganization plan.

The House bill granted permanent reorganization powers to the President. The Senate amendment, section 5 (b), limited the powers granted under the act so that no provision contained in a reorganization plan would take effect unless the plan is transmitted to Congress before April 1, 1953. The conference substitute contains this provision of the Senate amendment.

DISTRICT OF COLUMBIA OFFICERS

Both the House bill and the Senate amendment provided that where a reorganization plan includes a provision for the appointment of an officer not under the classified civil service, the appointment should be by the President, by and with the advice and consent of the Senate. The Senate amendment excepted officers of the District of Columbia municipal government from this provision, and provided that such officers should be appointed by the Board of Commissioners or other body or officer of such government designated in the plan. The conference substitute follows the language of the Senate amendment.

PRESIDENT'S MESSAGE TRANSMITTING REORGANIZATION PLAN

The Senate amendment provided that the President, in his message transmitting a reorganization plan, should specify the reduction of expenditures (itemized so far as practicable) which would probably be brought about by the taking effect of the plan. This provision is included in the conference substitute.

WILLIAM L. DAWSON,
CHET HOLIFIELD,
JOHN W. MCCORMACK,
CLARE E. HOFFMAN,
HAROLD O. LOVRE,

Managers on the Part of the House.

Mr. DAWSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill H. R. 2361, an act to provide

for reorganization of Government agencies, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DAWSON. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the statement.

Mr. DAWSON. Mr. Speaker, I yield 10 minutes to the gentleman from Ohio [Mr. BROWN].

(Mr. BROWN of Ohio asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Speaker, I take this time, first, to urge the House to accept the report of the committee, and, secondly, to congratulate the House members of the conference committee on bringing in this report. Also to commend them for their charity, Mr. Speaker, or their willingness, for the good of the country, in working out a compromise arrangement which will now permit this very, very important Reorganization Act of 1949 to become law. I believe that the enactment of this bill is of such great importance that, while I do not like to see the House of Representatives surrender the original position it had taken to another legislative body, such a surrender in this particular situation has been necessary. So I think the House conferees have acted very wisely and well. My one regret is that this agreement could not have been reached earlier. But at last the conferees have agreed. The conference report is now before you. If it is approved, as I am sure it will be, and certainly hope it will be, then the Reorganization Act will soon reach the White House, where, I am sure, it will be promptly signed by the President, who, I understand, is accepting this compromise. I predict the President will soon send to the Congress a number of reorganization plans which he has advised our commission he now has on his desk ready for submission.

So with the adoption of this conference report the Congress will have performed its duty in giving the President of the United States the needed authority to submit his reorganization to the Congress. I am very hopeful that the plans the President will submit to the Congress will be such as to not meet the objection of either branch of the Congress.

As I have said before, there are many recommendations of the Hoover Commission on the reorganization of the executive branch of the Government, for the purpose of bringing about greater economy and efficiency in the conduct of the public business, that can be made effective by Executive or administrative order. Perhaps 25 percent of the recommendations of the Commission can be made effective in that way. Another 30 or 40 percent can be made effective by the President as a result of the adoption of this Reorganization Act. Then to make the remaining 35 or 40 percent of

the recommendations effective, the Congress itself must act by the passage of new statutes or by the changing of old laws. So now the Congress of the United States is about to conclude legislative action on this very important Reorganization Act of 1949, which will permit the President to go ahead and submit his reorganization plans to us which will put into effect many of the recommendations of the Hoover Commission.

I have confidence in the President. I very sincerely hope he will proceed promptly along the lines he has discussed with members of the Commission to send Congress good and sound reorganization plans which will, in great substance, make effective the recommendations of our Commission and bring about greater economy and efficiency in Federal affairs. The situation is now in the hands of the President, or will be as soon as we vote. This bill gives him certain privileges and responsibilities in connection with the reorganization of the executive branch of the Government. I sincerely hope that he will use these powers wisely and meet his full responsibility in the spirit we all want him to meet it. I just as sincerely hope that the Congress will likewise meet its responsibility promptly and fully in considering the Hoover Commission reports.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. Yes; I yield.

Mr. MILLER of Nebraska. On a recent visit home one of the first topics of conversation was what the President was going to do about the Reorganization Act. However, the question I wanted to ask the gentleman was this: Over in the other body I understand eight or nine bills have been introduced to follow out the recommendations of the Hoover Commission report, and I understand perhaps the same in the House. Can we take those bills and proceed, or must we wait for the President to send up his bill?

Mr. BROWN of Ohio. Those bills being brought up by the Committee on Expenditures of the House and the Expenditure Committee of the Senate, and by some other legislative committees, must be enacted into law; because, as I said a moment ago, about 35 or 40 percent of the recommendations of this Commission, to be made effective, will require legislation. We are going just as far as Congress can, by giving authority to the President to make it easy to reorganize the executive branch, where it is possible to do so by delegation of authority to the President. But 35 or 40 percent of the recommendations of the Commission will take legislative action to make them effective.

If the President will meet his responsibility and if we in Congress will meet ours, as he and we should, then a great deal of good can be accomplished for a Nation which, I believe, wants and needs economy and efficiency in the conduct of its Government.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. GROSS. The question now comes, how expeditiously will the Presi-

dent move, and then how expeditiously will the House move?

Mr. BROWN of Ohio. Let me say to the gentleman from Iowa that the President has advised the commission—and I am sure the President is a man of honor, a man of his word—that he now has a number of reorganization plans ready to submit to the Congress, which will move up here very rapidly. I do not mean by that that the President is ready to send plans covering every phase of the Hoover report. It will take time for him to perform this comprehensive task. Yet, I am sure, he can send us many of these reorganization plans promptly. I am sure the leadership of the House, on both sides, has been very sincere in saying that they want to expedite the consideration of the President's reorganization plans and all reorganization legislation. I know that the House Committee on Expenditures is hard at work through an efficient subcommittee, to expedite consideration of all reorganization matters. I hope my colleagues on the Republican side, as well as my colleagues on the Democratic side, of the aisle, will lay aside political considerations, and get behind the whole program of the Hoover Commission for the benefit of the American people. It is absolutely necessary we act promptly if we are to get the economy and efficiency we need in the Government.

It is now up to the President on the one hand, and the Congress on the other, to quickly consider the recommendations of our commission. In closing, may I say that I realize fully the difficult time that the House conferees have had in connection with this particular legislation—the Reorganization Act of 1949—and I wish to compliment and congratulate them on finally being able to reach the compromise agreement which has been brought before us today. I hope the conference report will be adopted.

Mr. DAWSON. Mr. Speaker, I yield 10 minutes to the gentleman from Michigan [Mr. HOFFMAN], one of the conferees.

(Mr. HOFFMAN of Michigan asked and was given permission to revise and extend his remarks.)

BUREAUCRATIC POLITICAL MANEUVERING DEFEATING ECONOMY AND EFFICIENCY RECOMMENDATIONS OF THE HOOVER COMMISSION

Mr. HOFFMAN of Michigan. Mr. Speaker, the bureaucrats in Federal executive agencies and departments with the aid of their political allies in a Congress under the control of the Democratic Party organization, are using their usual tactics—delay and misrepresentation—to defeat the recommendations of the Hoover Commission, which would require them to curtail their waste and extravagance, give the people better service for less money.

The fight is not a new one and ever since 1910, when, at President Taft's suggestion, the Congress appropriated \$100,000 for the work of a commission created to point the way to give the people economy and efficiency, the jobholders who oppose economy and efficiency in the executive departments have defeated every effort of the President and the

Congress to give the people a dollar's worth of service for every tax dollar expended.

Prior to the Eightieth Congress, 18 attempts have been made by either the President or the Congress, or one branch of the Congress, to curtail needless expenditures in the executive departments. But every such attempt was defeated by propaganda and the personal efforts of Federal employees who exerted pressure on Congress.

The Eightieth Congress enacted legislation which authorized the creation of a commission to advise as to how best to carry out the policy of Congress—

To promote economy, efficiency, and improved service in the transaction of the public business in the departments, bureaus, agencies, boards, commissions, offices, independent establishments, and instrumentalities of the executive branch of the Government by—

- (1) limiting expenditures to the lowest amount consistent with the efficient performance of essential services, activities, and functions;
- (2) eliminating duplication and overlapping of services, activities, and functions;
- (3) consolidating services, activities, and functions of a similar nature;
- (4) abolishing services, activities, and functions not necessary to the efficient conduct of government; and
- (5) defining and limiting executive functions, services, and activities.

To that Commission the Speaker of the House, the President pro tempore of the Senate, both of whom were Republicans, and President Truman each appointed four members. Six Democrats and six Republicans were named.

President Truman, a Democrat, appointed former President Hoover, a Republican, to head the Commission.

That Commission employed a staff of experts, and many individuals of outstanding ability without compensation voluntarily gave of their time and knowledge.

The Congress gave the Commission approximately \$2,000,000, and it spent 18 months in assembling facts and writing a report which pointed out to the public and the Congress ways and means whereby an annual saving of between three and four billion dollars could be made in the executive departments, while, at the same time, increasing the efficiency of those departments.

We now have a public debt of more than \$250,000,000,000. It carries an annual interest charge of \$5,000,000,000. Since the beginning of the present fiscal year, we have gone into the red more than an additional \$1,435,000,000. If present trends continue, we will, by July 1, 1951, have an additional national deficit of not less than \$11,000,000,000.

The prospects of a \$260,000,000,000 debt, with its inevitable interest charge, a falling stock market, a business recession, and increasing unemployment have awakened the people and the Congress to a realization that, unless we mend our ways, we will get another one of those disastrous depressions which no one wants, which bring so much privation and suffering to everyone.

Hence it is that the people are now demanding in no uncertain terms that this Congress now enact legislation which

will implement the recommendations of the Hoover Commission.

Basic legislation being needed to enable the President, who is head of the executive departments, to send down to the Congress plans which will translate into law the Commission's recommendations, the Senate and the House each passed a reorganization bill.

The bills were somewhat different in their provisions, the principal differences being these:

The House bill did not give the President power to create or to transfer an executive department. The Senate bill gave him that power, although he did not ask for it and does not want it.

The House bill provided that plans dealing with any one of seven named executive agencies shall be "one package" measures. The Senate bill made no exemptions.

The Senate bill provided that no provision contained in a reorganization plan should take effect unless the plan was transmitted to Congress before April 1, 1953. The House bill carried no limitation.

The House bill provided that any reorganization plan sent to the Congress should become effective unless, within 60 calendar days of continuous session thereafter, the two Houses by a concurrent resolution vetoed the plan.

The Senate bill provided that a plan so sent down should not become effective if either House by resolution disapproved of the plan.

There being conflicting provisions in the two bills, in accordance with legislative practice, conferees—five from the Senate, five from the House, six Democrats, four Republicans—were appointed to effect a compromise.

Until late yesterday afternoon—June 15—the conferees were unable to agree because the three House Democratic conferees would not go along with the procedure carried in the Senate bill which provided that either House might veto a reorganization plan sent down by a President.

The conferees finally compromised by agreeing to submit a report to their respective Houses, recommending the passage of a bill which would (a) give the President power to create or to transfer an executive department; (b) strike from the House bill the exemption of the seven named executive agencies and the "one package" requirement; (c) accept the provision in the Senate bill that no plan sent down should become effective unless it was submitted to the Congress prior to April 1, 1953.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. McCORMACK. Will the gentleman admit that the House conferees, all of us, worked hard and diligently and explored every avenue to try and effect a compromise on this?

Mr. HOFFMAN of Michigan. There is no disagreement about that. I was trying to say that the gentleman came out with more than he took into the conference.

Mr. McCORMACK. I wish I could plead guilty to that.

Mr. HOFFMAN of Michigan. The gentleman wants to plead guilty to surrendering. I want him to boast of a victory.

Mr. McCORMACK. We wanted to get a bill through. But I did not mean to rise for that purpose. I wanted to ask the gentleman, Did not the House conferees do everything possible to try to arrive at an agreement?

Mr. HOFFMAN of Michigan. We finally got one. The only point where I disagree with the gentleman from Massachusetts and the other House conferees is this: If I understand the gentleman correctly, he is intimating we made some sort of a surrender. I am charging that he came out with a victory. He does not find fault with that, does he?

Mr. McCORMACK. I will have to find the gentleman guilty of making a charge that I cannot subscribe to.

Mr. HOFFMAN of Michigan. The gentleman does not want to be charged with a victory for the House?

Mr. McCORMACK. No member of the House conferees engaged in any kind of politics in arriving at an agreement on our differences?

Mr. HOFFMAN of Michigan. I do not know about that.

The point which had been deadlocking the conferees 7 to 3, as to the manner in which a plan sent down by the President should become the law of the land, was compromised by an agreement that such a plan transmitted to the Congress shall become effective upon the expiration of the first period of 60 calendar days, of continuous session of the Congress, following the date on which the plan is transmitted to it; but only if, between the date of transmittal and the expiration of such 60-day period there has not been passed by either of the two Houses, by the affirmative vote of a majority of the authorized membership of that House, a resolution stating in substance that that House does not favor the reorganization plan.

That conference report is now before the House and, if we are to have legislation putting into effect any of the recommendations of the Hoover Commission, the Congress must adopt this report and without delay give consideration to any plan sent down by the President, or to bills introduced by Members which seek to make effectual recommendations of the Commission.

Once more, the jobholding, spending, power-seeking bureaucrats in the agencies and the departments, acting through their political allies in the House, have delayed action on the economy and efficiency program recommended by the Hoover Commission and so strongly endorsed and demanded by the taxpayers of the country.

Under the basic legislation, for a plan to become effective, it is necessary that it be sent down by the President and reach the Congress at least 60 legislative days before final adjournment.

The Reorganization Act of 1946 provides, in substance, that the Congress shall adjourn not later than the 31st day of July unless there is some national emergency.

Hence it will be seen that, through their delaying tactics, the bureaucrats have won the first skirmish in their battle to continue in control of the executive departments.

It is understood that the President has caused several plans, which are more or less in accord with the Hoover recommendations, to be drafted, and that, as soon as the present measure now pending before the House is adopted, those plans will be sent down to us.

But the bureaucratic opponents have another method of sabotaging any efforts to curtail either their power or their expenditures. It has always been their practice to meet any effort to curtail their authority or their activities, to, when a bill was introduced, send up a measure of their own, which, while labeled a bill to promote economy and efficiency, always carried provisions which prevented the accomplishment of those purposes and which usually, if accepted by the Congress, when interpreted by the administrative officers, gave them greater authority, called for larger appropriations; and that is the procedure which they have adopted in connection with their effort to defeat this fight for economy and efficiency.

The Hoover Commission employed Gerry Morgan, who for some 12 years was employed in the Office of the Legislative Counsel of the House of Representatives. He assisted in drafting many of the bills which later became the law of the land. He has had years of experience.

For the Hoover Commission and while employed by it, he drafted some 15 bills designed to carry out the recommendations of the Hoover Commission. Those bills were transmitted to the chairman of the standing committees of the House.

A very brief summary of those bills and what, so far as I know, happened to them, follows:

General management: A bill dealing with the general management of the executive branch of the Government was forwarded to the chairman of the House Committee on Expenditures in the Executive Departments. It was introduced by him on February 10, 1949, and carries the number H. R. 2613.

On February 24 it was announced that public hearings would begin on March 1. The hearings, however, were postponed, and to date none has been held on that bill.

Office of General Services: A bill dealing with the supply activities of the Government was introduced by the chairman of the same committee on February 14. Its number is H. R. 2641. No hearings were held on this bill, but hearings were held by the Holifield subcommittee on H. R. 2781—the Federal Property Act—which was written prior to the release of the Hoover Commission's reports.

Budgeting and accounting: A bill on this subject was sent over to the chairman of the House Committee on Expenditures in the Executive Departments by mail 2 or 3 months ago and as yet has not been introduced.

Post Office: A bill covering the recommendations dealing with the Post Office was delivered by Carter Manasco to the chairman of the Post Office and Civil

Service Committee of the House several months ago but as yet this bill has not been introduced in the House.

Personnel: A bill to enact into law the recommendations contained in the Hoover Commission report on Personnel Management was sent to the chairman of the House Post Office and Civil Service Committee, but as yet this bill has not been introduced.

Veterans Life Insurance Corporation: The only recommendation contained in the Commission's report on the Veterans' Administration which required legislation is one which recommended the creation of a Veterans' Life Insurance Corporation and a bill to do this was mailed to the chairman of the House Veterans Committee.

It is expected that this bill will be introduced within a day or two.

National Security Organization: Mr. Morgan sent a bill covering the Commission's recommendations on the National Security Organization to the chairman of the Armed Services Committee. My information is that this bill will not be introduced at the present time. There is pending before the Armed Services Committee a bill very similar to the Tydings bill to carry out the recommendations of the President regarding the National Security Organization and that bill is in some of its major aspects in agreement with the Hoover Commission recommendations.

There is some publicity to the effect that that bill will not be acted upon by the Armed Services Committee.

Agriculture: A bill on this subject was sent to the Committee on Agriculture of the House but as yet has not been introduced in the House.

Interior: A bill dealing with the recommendations for the Interior Department was sent to the Public Lands Committee in the early part of last week, but as yet, has not been introduced in the House.

Treasury Department: A bill dealing with the Hoover Commission's recommendations for the Treasury Department was sent over last week to the chairman of the House Committee on Expenditures in the Executive Departments and has not yet been introduced in the House.

Commerce: A bill to enact into law the recommendations of the Hoover Commission regarding the Department of Commerce was sent to the chairman of the Interstate and Foreign Commerce Committee of the House, but has not as yet been introduced.

United Medical Administration: A bill to create a United Medical Administration as recommended by the Hoover Commission was sent to the chairman of the House Committee on Expenditures in the Executive Departments 2 or 3 weeks ago and as yet has not been introduced in the House.

Overseas administration: A bill to create a Commission to make a study of the administration of overseas activities of the Government was sent to the chairman of the House Committee on Expenditures in the Executive Departments last week and this bill likewise has not been introduced in the House.

Department of Welfare: A bill to create a Department of Welfare as recommend-

ed by the Hoover Commission was sent to the chairman of the House Committee on Expenditures in the Executive Departments 2 weeks ago but as yet has not been introduced in the House.

Instead of waiting for the Hoover report and its recommendations, Mr. Ewing, head of the Federal Security Agency, who, while holding a Federal job, has been going about the country in an attempt to put over socialized medicine and compulsory health insurance, caused the legal department of the agency he heads to draft a bill which sought to blow up his agency into a department, make him the head of the department, a member of the Cabinet, instead of the head of an agency.

That bill, an opening wedge for socialized medicine and compulsory health insurance, and Mr. Ewing's effort are typical of the methods of the bureaucrats which they have successfully used ever since 1910 to defeat any move looking toward economy and efficiency in the various agencies and departments.

After striking some provision from Mr. Ewing's bill, the Committee on Expenditures on February 15 reported out H. R. 782, a modified version of Mr. Ewing's bill. A rule was obtained and the bill was scheduled for consideration by the House on May 17, but for some reason the House leadership withdrew consideration of it at that time.

On that date, May 17, from the floor, attention was called by me to the fact that the bill did not conform to the recommendations of the Commission—CONGRESSIONAL RECORD, May 17, pages 6480-6482.

Regulatory agencies: A bill making certain changes in the laws applicable to the regulatory agencies of the Government, as recommended by the Hoover Commission, was sent to the chairman of the House Committee on Expenditures in the Executive Departments a week or two ago, but this bill also has not been introduced in the House.

The delay in passing the original enabling legislation and the failure of the conferees to agree promptly has made far more difficult the task of getting worthwhile remedial legislation at this session of the Congress.

From a practical standpoint, we cannot get such legislation through the approval of any plan sent down by the President unless the Congress continues in session beyond July 31.

Even if it does continue in session well into August, all familiar with legislative processes know that it is almost impossible to get well-written, well-considered legislation in the closing days of any session.

The task of writing reorganization legislation which will be effective; which will give us less, instead of greater, costs; which will give us more, instead of less, efficiency, is a tremendous one.

The Hoover Commission, as we all know, had the aid of many, many experts, self-sacrificing individuals, who brought to their task years of experience and technical skill. They did, however, but a part of the job. They told us, through their voluminous reports, where there was waste, duplications and ineffi-

ciency, but they did not, except as to the bills referred to as having been drafted by Mr. Morgan, tell us how to do the technical job of drafting the legislation.

Attention has already been called to the bill sent up by Mr. Ewing of the Federal Security Agency and to his effort to blow up his agency into a full-fledged department and, through legislation, force upon the people compulsory health insurance, socialized medicine.

There is no doubt but that other bills have been, or will be, sent up by the departments and that, when any bill which attempts in any way to curtail the activities of any existing agency or department comes before a committee, some agency or department in the Federal Government will attempt to write that legislation so that it will serve the purpose of the agency or the department, or both.

That is standard practice. Those who serve on legislative committees are familiar with it and know how almost impossible it is for a congressional committee to write a bill without incorporating in it the self-serving provisions of the various departments, each of which ordinarily is jealous of the others, but all of whom, when an attempt is made to correct legislative or administrative faults, unite in a solid front, compromise their differences, and direct a unified, almost irresistible pressure on legislative committees.

Inasmuch as the delay in enacting the basic legislation has so greatly lessened the opportunity for this Congress to do a worth-while job if it waits for the plans which may be sent down by the President—and it must be remembered that those plans, when they come down, cannot be amended but must be either accepted or rejected as written—I yesterday introduced 11 bills, nine of which were introduced by the junior Senator from Wisconsin.

All of these bills were drafted by Mr. Morgan at a time when he was in the employ of the Hoover Commission and each is an attempt to translate into legislation a recommendation of that Commission.

The drafting of such bills requires technical knowledge, not only of the mechanics of the bill, but a knowledge of the facts upon which it is based and of the interpretation and effect of previous legislation.

Lack of time has prevented a thorough study of the Hoover reports. It is doubtful if many of the Members of Congress have had the opportunity to go through these reports and the reports of the task force, to evaluate the facts disclosed by the hearings or to properly assimilate the sometimes conflicting views of the members of the Commission.

For myself, I can only say that I do not accept the Hoover Commission reports as revelations from on high, to be accepted and followed as one wishes to accept and follow the Ten Commandments.

Practically everyone joins in the desire to put into legislation the recommendations of the Commission and, where there are differences of opinion, they will ordinarily be only as to the method of doing the job.

Because our time will be limited, because of the ability and character of the members of the Commission and the staff force employed by it, it may be assumed that the Members of the House, and I know I shall, attempt to faithfully follow these reports and recommendations.

In order that we may get started on the job, I yesterday introduced bills, all written by Mr. Morgan, dealing with the following subjects:

H. R. 5172, Administration of overseas activities.

H. R. 5173, Regulatory agencies.

H. R. 5174, Treasury Department.

H. R. 5175, Department of Welfare.

H. R. 5176, Interior.

H. R. 5177, Post Office.

H. R. 5178, Budgeting and Accounting.

H. R. 5179, Agriculture.

H. R. 5180, Commerce.

H. R. 5181, Extension of Civil Service.

H. R. 5182, United Medical Administration.

It is my hope that the committees to which these bills are referred will, without delay, give them such consideration as time will permit. It is also my hope that when the departments begin to rewrite these bills, as they undoubtedly will, and when their representatives come up to testify, the various committees will call upon members of the Hoover Commission to make answer to any suggestions which the representatives of the agencies or the departments may make.

Beyond question, the departments will make use of the old effective practice to "git thar fust with the mostest."

I have suggested before and I suggest again, that the subcommittee of the Committee on Expenditures in the Executive Departments, of which the gentleman from California [Mr. HOLIFIELD] is chairman, be given whatever sums may be necessary to enable him to employ some of the experts who served with the Hoover Commission so that the subcommittee and the full committee may have available for advice and information experts who are familiar with the work of the Commission and who have the skill to put into legislative form such recommendations of the Commission as may be desirable to effectuate the recommendations made.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. DAWSON. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, I want to congratulate the conference committee on this report. I realize that there are some things in it that just do not suit me. But, the legislation that we pass, as a rule, is generally a compromise, and I think the committee did a fine job and I want to congratulate our chairman, the gentleman from Illinois [Mr. DAWSON] and the members of the conference committee because I think they did a good job, probably the best that could be had if we get any legislation at all.

It has been said here many times that the President of the United States will necessarily have to get busy if we are going to get some legislation for reorganization which will be of benefit to

the country, and if this legislation is to be of any service and economy in government whatever. But, the thing that I want to do now is to warn the Congress of what is going to happen. The President of the United States may send and I hope he will send legislation down here for the consolidation of departments or the changing of the various departments according to the recommendations of the Hoover Commission, or it may not be according to those recommendations but for efficiency and economy in Government. But, when he sends this legislation here to the House, which I hope is going to mean and will have to mean economy to the Government if this Nation of ours is going to survive—when that legislation is sent up here you are going to see the biggest bunch of lobbyists like bees from the departments of this Government in these galleries that you have ever seen in all your life, trying to stop economy and consolidation, because it will mean losing jobs.

It is going to be a real job now to keep these bureaucratic bees away from Members of Congress. It will be ten times worse than it was yesterday, when we had all the Army officers up in the gallery, or when a few weeks ago we had up labor legislation and the galleries were filled with labor representatives. When representatives of the departments of the Government come into your office and tell you the legislation the President sends down here is all wrong, you just make up your minds that you want to think for yourself, and try to put some of this legislation into effect, if we are going to get any economy; and that is going to be absolutely necessary if our Government is to survive.

I realize that all this legislation is not going to suit me, but I am going to try to go along with the President, and I hope he will send legislation here and send it here quickly, so we can get some benefit from it at this session of the Congress.

The warning I give to you Members of Congress now is to be vigilant, to keep your eyes and ears wide open. Let these department heads come down here and talk a lot to you, but you listen to the committees that are going to send in the legislation. They are your watchdog of the Treasury. The president of the United States is not going to send something down here that will wreck us, I am sure of that. The legislation he does send down here will need your consideration. I am sure the chairman of the committee, the gentleman from Illinois [Mr. DAWSON], is going to give consideration to it. We are going to try to report it to you with our recommendations just as soon as it lands here and we can give it the proper consideration. The gentleman from California [Mr. HOLIFIELD] who is going to be the chairman of this subcommittee, and the other members of that subcommittee, are going to work hard and bring the legislation in here as quickly as we possibly can. Let us hope that it means a reorganization of our Government to the extent that there will be more economy and more efficiency in operation of all departments of Government. That is all I hope for and I am

sure that is what we will get before this reorganization is over if the President and the Congress do the right thing.

Mr. DAWSON. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks at this point in the RECORD in connection with the pending conference report.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MICHENER. Mr. Speaker, I most enthusiastically support this conference report. All the details have been explained. The provisions of the reorganization bill as it passed the House and as it was amended by the Senate have been composed. This report is unanimous. We can now go forward from here. It is interesting to think in retrospect but it is more realistic to think in prospect. It does not make much difference now just what the dispute among the conferees was. That is water over the dam. I hope no partisanship was involved.

Mr. Speaker, I have received numerous communications and resolutions from constituents, organizations, and groups urging the adoption of the Hoover report, as they refer to this matter, without any change or reservations. These communications which I have received make it abundantly clear that few of the people back home fully understand just what the Hoover Commission was, including its origin, its powers, limitations, and functions. It seems to me that it is apropos that I include in these remarks the law setting up the Hoover Commission as it was enacted by the Eightieth Congress and approved by the President on July 7, 1947. Public Law 162, Eightieth Congress, reads as follows:

[Public Law 162—80th Cong.]

[Chapter 207—1st sess.]

H. R. 775

An act for the establishment of the Commission on Organization of the Executive Branch of the Government

Be it enacted, etc.—

DECLARATION OF POLICY

SECTION 1. It is hereby declared to be the policy of Congress to promote economy, efficiency, and improved service in the transaction of the public business in the departments, bureaus, agencies, boards, commissions, offices, independent establishments, and instrumentalities of the executive branch of the Government by—

(1) limiting expenditures to the lowest amount consistent with the efficient performance of essential services, activities, and functions;

(2) eliminating duplication and overlapping of services, activities, and functions;

(3) consolidating services, activities, and functions of a similar nature;

(3) abolishing services, activities, and functions not necessary to the efficient conduct of government; and

(5) defining and limiting executive functions, services, and activities.

ESTABLISHMENT OF THE COMMISSION ON ORGANIZATION OF THE EXECUTIVE BRANCH

SEC. 2. For the purpose of carrying out the policy set forth in section 1 of this act, there is hereby established a bipartisan commission to be known as the Commission on Organization of the Executive Branch of the

Government (in this act referred to as the "Commission").

MEMBERSHIP OF THE COMMISSION

SEC. 3. (a) Number and appointment: The Commission shall be composed of 12 members, as follows:

(1) Four appointed by the President of the United States, two from the executive branch of the Government and two from private life;

(2) Four appointed by the President pro tempore of the Senate, two from the Senate and two from private life; and

(3) Four appointed by the Speaker of the House of Representatives, two from the House of Representatives and two from private life.

(b) Political affiliation: Of each class of two members mentioned in subsection (a), not more than one member shall be from each of the two major political parties.

(c) Vacancies: Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

ORGANIZATION OF THE COMMISSION

SEC. 4. The Commission shall elect a Chairman and a Vice Chairman from among its members.

QUORUM

SEC. 5. Seven members of the Commission shall constitute a quorum.

COMPENSATION OF MEMBERS OF THE COMMISSION

SEC. 6. (a) Members of Congress: Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(b) Members from the executive branch: The members of the Commission who are in the executive branch of the Government shall each receive the compensation which he would receive if he were not a member of the Commission, plus such additional compensation, if any (notwithstanding sec. 6 of the act of May 10, 1916, as amended; 39 Stat. 582; 5 U. S. C. 58), as is necessary to make his aggregate salary \$12,500; and they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(c) Members from private life: The members from private life shall each receive \$50 per diem when engaged in the performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

STAFF OF THE COMMISSION

SEC. 7. The Commission shall have power to appoint and fix the compensation of such personnel as it deems advisable, in accordance with the provisions of the civil-service laws and the Classification Act of 1923, as amended.

EXPENSES OF THE COMMISSION

SEC. 8. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, so much as may be necessary to carry out the provisions of this act.

EXPIRATION OF THE COMMISSION

SEC. 9. Ninety days after the submission to the Congress of the report provided for in section 10 (b), the Commission shall cease to exist.

DUTIES OF THE COMMISSION

SEC. 10. (a) Investigation: The Commission shall study and investigate the present organization and methods of operation of all

departments, bureaus, agencies, boards, commissions, offices, independent establishments, and instrumentalities of the executive branch of the Government, to determine what changes therein are necessary in their opinion to accomplish the purposes set forth in section 1 of this act.

(b) Report: Within 10 days after the Eighty-first Congress is convened and organized, the Commission shall make a report of its findings and recommendations to the Congress.

POWERS OF THE COMMISSION

SEC. 11. (a) Hearings and sessions: The Commission, or any member thereof, may, for the purpose of carrying out the provisions of this act, hold such hearings and sit and act at such times and places, and take such testimony, as the Commission or such member may deem advisable. Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission or before such member.

(b) Obtaining official data: The Commission is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics for the purpose of this act; and each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed to furnish such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the Chairman or Vice Chairman.

Approved, July 7, 1947.

This was a nonpartisan Commission. I stress the fact that four members were appointed by the President, four by the President pro tempore of the Senate, and four by the Speaker of the House. This was in the Eightieth Congress. Michigan was especially interested because Senator VANDENBERG, as President pro tempore of the Senate, appointed as one of the members of the Commission the very able Dr. James K. Pollock, director of the political science department of the University of Michigan. Our State was also gratified because Speaker MARTIN of the House appointed former President Herbert Hoover a member of the Commission, who later by virtue of an election by the Commission became its Chairman.

Mr. Speaker, with the possible exception of world peace, no subject is more discussed and more in the public mind today than the necessity for economy on the part of Government. The Hoover Commission feels that at least \$3,000,000,000 of the taxpayers' money can be saved, and better and more efficient government in behalf of all of the people can be accomplished, if its recommendations are put into effect.

I have made it very clear to my constituents that I favor the Hoover Commission report lock, stock, and barrel, and that I am committed to do each and every thing within my power to speed action on the several plans of reorganization that will be suggested by the President by virtue of the authority given to him under this reorganization law. This is no time to talk. The hour of action has arrived, and this is the time of the essence. The people want reductions in the expense of government and we, as Members of Congress, are doing less than our duty if we permit the present extravagant, wasteful methods now

practiced in the executive branch of the Government, without at least an effort to better the situation.

Of course it will be impossible to carry out all the details of the Hoover Commission recommendations. No law and no recommendations of this character are infallible. The principle, however, is right and if the Congress forgets political considerations and thinks only of the welfare of the Nation, the American economy, and the taxpayers' money, much good can be accomplished. I hope the President will interpret this power given to him as a challenge to speed up his recommendations bringing about reorganization, and I feel that I am speaking for a vast majority of the Congress when I predict that presidential reorganization proposals will receive prompt and sympathetic consideration on the part of Congress, to the end that the objectives of the Hoover Commission recommendations may be effectuated in full. The President and the Congress must work as a team. Existing departments and bureaus must not be permitted to dominate. The responsibility is ours, we must not fail.

Mr. HARVEY. Mr. Speaker, the conferees on H. R. 2361 are to be congratulated on having achieved an agreement with the Senate and permitting this important piece of legislation to be sent to the President, for his signature. There can be little doubt as to his willingness to sign the bill, since he has frequently urged this legislation upon the Congress.

Without prejudice, so far as the merits of the House versus Senate provisions, may I say, that, the important thing is to get a reorganization plan passed so that the great need for economy in government, as well as efficiency, may be realized.

The subcommittee, of which the gentleman from California [Mr. HOLIFIELD] is chairman and, I am a member, has been working consistently to cooperate in the entire program of reorganization. We realize that part of the Hoover Commission recommendations should logically come from the President's office, as provided in this legislation. Other phases of the reorganization must come by positive legislation on the part of the Congress.

During the debate on H. R. 4754, the Federal Property and Administrative Services Act of 1949, it was amply testified that the accomplishment of the Hoover Commission reports would require several months and in order not to disrupt the effective operation of the various agencies of the executive branch of the government, would have to be effectuated in a series of steps.

The people are aware of the great growth of the Federal Government, sometimes described as a sprawling bureaucracy. Such Topsy-like growth has inevitably caused conflicts, duplication, and lack of coordination. It is high time that the very excellent Hoover Commission reports be given the "Go sign" and that they be given bipartisan support.

The need for economy in government is all the more important if we are to reduce Federal taxes to a point where

we can pay our bills as we go, and can plan constructive retirement of the Federal debt.

These objectives are clearly understood by the people and there is no mistaking their demand that we restrict our expenditures and get a dollar's worth for every dollar spent. It has been estimated, by a Hoover Commission task force that at least 500,000, or approximately one-fourth of the Federal employees could be released, by streamlining the executive branch of our Government.

Again may I express my pleasure that this important piece of legislation has been successfully agreed upon by the conferees of the House and the Senate.

Mr. LOVRE. Mr. Speaker, as one of the conferees on H. R. 2361, which is the Reorganization Act of 1949, as recommended by the Hoover Commission, I sincerely hope that the conference report accompanying H. R. 2361 will be adopted unanimously.

This legislation is the first step in reorganizing the executive branch of our Government, which during the past few years has grown to such a point that it has developed into a sprawling, wasteful and inefficient bureaucracy which nobody understands and which is gradually sapping our economic strength.

For the past 30 or more days, the Reorganization Act has been held up in conference between the House and Senate because of differences of mechanics in and methods of bringing about the reforms advocated by the Hoover Commission.

The House version provides in substance that any proposal submitted by the President for the reorganization of the executive branch of government will become a law unless within 60 days after the presentation of the proposal both Houses veto the plan by a majority of the Members voting. The Senate version in effect is that such a plan could be vetoed by either branch of Congress by a majority of the Members voting.

The second difference of opinion between the two Reorganization Acts relates to exemptions. The House version provides that any proposals submitted by the President affecting the reorganization of seven different agencies of the executive branch shall be submitted in separate packages, which is contra to the recommendations of the Hoover Commission. The Senate version provides for no exemptions or single packages whatsoever and is in conformity with the recommendations of the Hoover Commission.

Personally, I am of the opinion that the Senate version is correct for the simple reason that we have in Government today what we might term the "Yes, but" philosophy, and which has been proven by the statements of various agencies appearing before the Committee on Expenditures. One agency will appear before the committee and say, "Yes, I believe in reorganization, but reorganize the other fellow and not me." If we permit this, then there will be no end to the exemptions demanded by the some eighteen hundred odd agencies and bureaus and will prevent any effective

reorganization of the executive branch of our Government.

The conference report eliminates all exemptions or one-package proposals, which is proper and is a step in the right direction. The conference report further provides that any reorganizational plan shall take effect upon the expiration of 60 calendar days of continuous session of Congress following the date the plan was transmitted to Congress, unless during such period either House passes a resolution by the affirmative vote of a majority of the authorized membership of that House. I am in accord with this provision, but I think it should go farther and also provide an alternative method to the effect that any plan submitted by the President could also be vetoed by the simple majority of both Houses as originally provided in the House bill, H. R. 2361. The reason for suggesting such a procedure is because under the provisions of the conference report a reorganization plan could become law if 48 Members of the Senate voted against the plan and/or 217 Members of the House voted against the plan. I advocated such an alternative veto program procedure, but it was not agreeable to a majority of the House conferees.

Regardless of what I may personally think is the proper veto procedure, I urge adoption of the conference report for the simple reason that every day action is delayed on the Reorganization Act means one more day of wasteful and inefficient Government bureaucracy at the expense of the American taxpayer. The means of bringing about reorganization is not nearly so important as the actual reforms themselves. The important thing is that upon the adoption of the conference report, the President will be given the machinery and necessary authority whereby he can if he so desires put into effect immediately the recommendations or the reforms proposed by the Hoover Commission subject of course to the veto by Congress. The responsibility for reorganizing the executive branch of the Government upon the approval of this conference report will rest squarely upon the shoulders of the President, and I urge my colleagues on both sides of the aisle to join hands in accomplishing this very necessary mission. The President should be given a free hand to eliminate the waste, extravagance, duplications, and inefficiency that is now so evident in all the bureaus and agencies in the executive branch of the Government. He should not be hampered in any way and certainly personal and selfish politics should be completely set aside. I sincerely hope that the President will upon adoption of the conference report proceed immediately and expeditiously with the reforms recommended. If he fails in this task, he will have to answer to the people.

Mr. REES. Mr. Speaker, although this legislation giving authority to the President to reorganize certain departments of Government comes late in the session, immediate action should be taken thereon. It is unfortunate that although the Congress and the leadership thereof has been familiar with the recommendations of the Hoover Commission for a period of almost 6 months, practically none of

the recommendations have yet been made effective.

A few days ago I called attention to the fact that a great share of the recommendations can be made effective by Executive order. That should have been done and now this House and the other body has its chance. It should proceed to do its part immediately. The people of this country insist we proceed to deal with a problem that should have been dealt with long ago.

We have a big Government. In 20 years of depression, war, crisis, and cold war, its cost has risen from 4,000,000,000 to 42,000,000,000. Its civilian employment has increased from 600,000 to more than 2,000,000.

It takes one dollar out of five of the national income to run the Government. We have a debt that amounts to a mortgage of \$7,000 on every family in America.

I do not believe anyone in or out of Government, defends, as someone has suggested, "the unholy hodgepodge" of 1,800 department, agencies, boards, and bureaus in the executive branch. Sixty-five huge agencies are supposed to report to the President. This is almost an impossible job. There is lack of executive authority and responsibility everywhere. The people of America hope to secure some relief by reason of the adoption of the recommendations of President Hoover and his Commission.

The bipartisan 12-man Commission was composed of some of the most outstanding experts in the United States, and it is estimated by the Chairman of the Commission that if the recommendations are followed the Government will save approximately \$3,000,000,000 annually.

The subjects studied by the Commission concern the general organization of the Government and specific governmental operations, such as accounting, budgeting, personnel, purchasing, transportation, veterans' affairs, public works, lending agencies, medical services, Indian affairs, statistical services, records, management, and the operations of the post office. The magnitude of this task cannot be minimized because of the confusion created by 1,800 bureaus, commissions, divisions, departments, and administrations employing 2,096,498 persons. However, in less than 2 years the Commission reported its findings and made recommendations for a more orderly, economical, and efficient Government operation.

There has been much publicity with respect to the work of the Hoover Commission, and from all parts of our country the farmer, businessman, and workman, who are called upon to pay a tax burden of \$44,000,000,000 annually, are asking what steps are being taken to carry out these recommendations. The people of this country are demanding, and rightly so, that we deal with these problems and that it be done without further delay.

I have examined the recommendations of the Hoover Commission, and I find that more than half can be put into effect today either by Executive order of the President or by administrative action of the departments and agencies of the

Government. I find that legislation by Congress is not required to accomplish the elimination of red tape and duplicating Federal activities, which, in the words of former President Hoover, "paralyzes the efforts of the best of our Government executives." Our gigantic bureaucracy was not created by legislation. It has come about through the lack of planning and the haphazard creation of a multitude of bureaus, departments, and commissions by administrative action.

In outlining some of the recommendations which may be put into effect immediately, time will permit my calling your attention to only a few. In its report on personnel management in the Federal Government, the Hoover Commission points out that civilian employment in the last 20 years increased 1,000 percent and the annual pay roll for these employees during the same period increased from \$1,000,000,000 to \$5,650,000,000 annually, and suggests that great savings can be achieved if the Commission's recommendations are put into effect. Over two-thirds of these recommendations require no more than administrative action by the President and the heads of the departments and agencies of the Government.

The Hoover Commission made recommendations regarding better and more economical ways of handling the Federal Government's 18,500,000 cubic feet of records and cited numerous instances where noncurrent records are presently filed in office space at an annual cost of 14 times greater than necessary. Also, great savings can be had by eliminating useless or duplicated records and transferring others to storage. Government-wide improvements and economies can be made, the Commission states, by setting standards and controls for record making and by applying tested methods, practices, materials, equipment, and machines. All of these recommendations which can be put into effect immediately could result in savings of over \$32,000,000 during the first 2-year period and over \$6,000,000 annually thereafter.

The Hoover Commission devoted much study to the Post Office Department, which at the present time does a business of \$1,300,000,000 annually, with expenditures of over \$1,600,000,000 annually. It is estimated that the postal deficit for the current fiscal year will be approximately \$500,000,000, and it was quite important that the Hoover Commission devote its resources toward finding a way and means of achieving a more economical and efficient postal service.

I believe that I can speak with some authority on the opposition of the Post Office Department, because during the last Congress I had the honor of being chairman of the House Post Office and Civil Service Committee. I was gratified by the fact that the Hoover Commission utilized the reports of our committee and found them of such value that its report and recommendations on the Post Office Department closely coincides with the findings of our committee. The Hoover Commission pointed out that the Post Office Department had an obsolete administrative structure, was controlled by a maze of outmoded laws and regula-

tions which freezes progress and stifles administration, and that the Department was overcentralized. One-half of the Commission's recommendations on the Post Office Department could be put into effect immediately by the Postmaster General.

The second largest expense item in the Federal budget is the Government's purchase of supplies and equipment. The Hoover Commission stated if its recommendations were carried out with respect to this field of activity, annual savings of \$250,000,000 could be made, with a reduction in inventories of \$2,500,000,000. It is significant that purchase orders issued by the Federal agencies in a typical year average \$10 or less. This expense is doubled because the paper work for a single purchase order costs more than \$10. The excessive cost of this red tape can be eliminated immediately by administrative action of the departments and agencies.

The failure of the executive branch to plan its future operations in connection with the handling of health and medical services is demonstrated in a task force report of the Hoover Commission. In 1948 more than 44 Federal agencies spent \$1,250,000,000 for these services. It was pointed out that the present program is devoid of any central plan, and the Government is assuming obligations without any understanding of their ultimate cost. In one metropolitan area it was found that four Army and Air Force hospitals could be closed, and at the same time provide a higher standard of service. Several other Federal agencies are planning to build hospitals in the same metropolitan area to cost \$100,000,000, but there is no evidence that such additional facilities are needed. This situation was shown to exist in several other areas in the United States. Other deficiencies were pointed out could be eliminated by better coordination between the agencies of the Government concerned with these services which extends to approximately one-sixth of our population.

The Hoover Commission devoted study to the organization and personnel structure of the Department of State which today, in my judgment, is charged with one of the greatest responsibilities ever had by any department of our Government in peacetime. Seventy-five percent of the recommendations in connection with the State Department could be put into effect immediately without congressional action. Among the deficiencies which the Commission found was the lack of a clear line of command from the Secretary of State down to the lower echelons. The administrative burdens placed upon the Secretary and the Under Secretary of State are so heavy that they have little time for thoughtful and considered reflection on foreign-affairs problems.

The Hoover Commission made recommendations which would result in major improvements in the Veterans' Administration. This is of vast importance to the veterans of our country who, in my opinion, are not receiving the kind of service they should from the Veterans' Administration. It was pointed out that the Veterans' Administration has become

too complicated and that there are conflicting lines of authority between officials in Washington and those in the field resulting in divided responsibilities and hampering an effective program. In addition to being wasteful, these practices were found to contribute to the dissatisfaction of veterans who deal with the Veterans' Administration. Most of these recommendations could be carried out by a reorganization of the Veterans' Administration which does not necessitate action by Congress.

In this statement I have indicated only a few of the recommendations of the Hoover Commission which could be put into effect immediately. I believe the people of our country demand action by the executive branch in carrying out the recommendations of the Commission. In the fact of a request by the President for an increase in taxes of approximately \$4,000,000,000, the American taxpayer has the right to expect his Government to take whatever action is necessary to reduce the excessive cost of Government operations.

We were told during the war that lavish Federal expenditures were justified because the main objective was to win the war. Today we are faced with another enemy within our gates which threatens our national economy. The threat of inflation can only be removed by reducing our public debt and the Federal budget. There is no excuse why we should not now be paying at least \$5,000,000,000 annually toward the retirement of our \$251,000,000,000 public debt. In my judgment, one of the ways to accomplish this objective is for the executive branch to put into effect immediately the recommendations of the Hoover Commission.

I have been told that the President has requested the departments and agencies to submit to him their views with respect to the recommendations of the Hoover Commission. It is to be expected that certain bureau chiefs and officials in the Government will resist any economy in Government operations which would result in the elimination of their positions. I hope the President will take into consideration the natural reluctance of any official to concur in recommendations which will affect that official's position. Yet I am certain that the American people expect action and will demand that somewhere along the line a meat ax be used instead of a pruning knife.

May I state that I may not agree with all of the recommendations of the Hoover Commission, but I am interested in the over-all objective which will be accomplished from following such recommendations, and I feel that the Federal Government will be better off if it follows those recommendations than to follow recklessly a program of extravagance, chaos, and confusion.

To make effective the recommendations of the Hoover Commission is not a simple matter. It will require time and effort of this Congress to do its part in putting these recommendations into effect. We can do it if Congress has the will to do so. Even though the hour is late and this legislation long delayed, let us start now. If extra time is re-

quired, then we should stay on the job until the task is accomplished.

Mr. GOODWIN. Mr. Speaker, the acceptance of this conference report will be hailed with great joy by everybody who wants to see more economy and greater efficiency in government. My mail indicates a growing demand for reduced government spending. I have just had a few days home in my district and the thing which seemed to be uppermost in the minds of practically everyone with whom I talked was the Hoover Commission's report and when we were going to start putting the recommendation into effect.

The House conferees are certainly entitled to our hearty congratulations upon the outcome of the conference and to our thanks for their cooperation in order that a report might be agreed to which will put on the way, even though belatedly, the machinery for the reorganization proposed by the plan.

It is my hope that the Holifield subcommittee will be furnished with an expert staff sufficiently adequate so that the committee will be able to proceed in its consideration of the various proposals for reorganization with the benefit of technical assistance and advice similar to that which obtained in the deliberations and study of the Hoover Commission. The cost of an adequate staff of expert consultants will be negligible compared to the wholesale economies to be effected by substituting a simplified and streamlined governmental set-up for the sprawling, overlapping bureaucracy which stands in the way of both economy and efficiency today.

Mr. DAWSON. Mr. Speaker, I yield 10 minutes to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Speaker, first I want to thank the gentleman from Michigan [Mr. HOFFMAN] for the kind remarks he made about the conduct of the subcommittee of which I am chairman, and at this time I want to thank all the members of that subcommittee, Mr. HOFFMAN of Michigan, Mr. HARVEY, Mr. BURNSIDE, Mr. BOLLING, Mr. BLATNIK, and Mr. HELLER, who will have the very heavy duty of working out the substantive legislation on these reorganization plans. I want to thank them for their help, and look forward to a great deal more help from them in the future.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I agree with the observation made by the gentleman from Michigan [Mr. HOFFMAN] as to the importance of the subcommittee of which the gentleman is chairman and the fact that you should be given sufficient funds to staff the subcommittee adequately in order to consider the legislation necessary to follow out the recommendations. I think that is a matter of vital importance, and the committee should take it up with the Committee on House Administration as quickly as possible.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. BROWN of Ohio. I would like to say to the gentleman from Massa-

chusetts and the Members of the House that I had urged, before your committee and elsewhere, that a sufficient staff be given to this very, very important subcommittee because of the great amount of technical work which the subcommittee must handle and consider. I know of no committee of the Congress which will be called upon to do more work than this particular subcommittee as well as the full Committee on Expenditures in the Executive Departments, if they are to do the job which is expected of them. They must have the staff with which to do the work that is necessary.

Mr. HOLIFIELD. I certainly thank both the distinguished majority leader and the gentleman from Ohio [Mr. BROWN], who has done such a magnificent job on the Hoover Commission. I thank them for their support. I want to pledge to them and to the House that if we are given the proper staff to put into effect the something over 200 recommendations of the Hoover Commission, we will work efficiently and in a workmanlike manner without any thought of partisanship in the attempt to reorganize the tremendous sprawling bureaus of our Government into as economic and efficient an operation as possible. Most of the members of this subcommittee have had a background of business experience. Our friend, the gentleman from Indiana [Mr. HARVEY], has had some very valuable experience in this same kind of work in the State of Indiana and he has been of inestimable value in working out the Federal property bill.

Mr. DEANE. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from North Carolina, a member of the Committee on House Administration.

Mr. DEANE. I would like to point out to the gentleman from California, and also to the gentleman from Massachusetts [Mr. McCORMACK], and the gentleman from Ohio [Mr. BROWN], that as a member of the Subcommittee on Accounts, I recall the presence of the chairman, the gentleman from Illinois [Mr. DAWSON] as well as the gentleman from California [Mr. HOLIFIELD] and other members of the Committee on Expenditures in the Executive Departments with reference to their requests for funds. I wish to assure them as one member of my committee they certainly have my support in the wonderful work I think they are doing.

Mr. HOLIFIELD. I thank the gentleman very much. We did not have an adequate number of staff people to work on the so-called Federal Property Act of 1949 which was a highly complicated bill repealing some twenty-odd statutes and amending several others. We set up in that bill a structure for the procurement, utilization, and disposal of Government property which affects the whole fiscal structure of the Government. We made up the deficiency in our staff by working night and day for something like 60 days to get out what I think was a very fine bill. We worked very closely with the Committee on Expenditures of the other body and I believe I can tell you that

when we go to conference on the bill, which has been passed in the House, and which will shortly be passed in the other body, there will be very little disagreement because of the fact that we have worked so closely with them. Each of us has accepted the work of the staff of the other committee and the worth-while suggestions that have been embodied in the original bill will be passed in each body and that bill will go through without any trouble in conference, I can assure you.

I want to speak generally for just a moment on this subject of reorganization in the executive branch. There are roughly 200 main recommendations of the Hoover Commission reports. About 75 of those recommendations can be put into effect in the regular legislative way through our legislative committees just as the Property Act was last week. About 50 of those recommendations can be put into effect by Executive orders of the President. That leaves about 75 of the recommendations which can be put into effect by reorganization plans submitted to the Congress by the President. That is roughly the division as to how these recommendations can be put into effect. Please do not hold me to those exact figures.

We have been in a stalemate in conference for 30 days because of a difference in philosophy as to how much authority we should give the President in setting these plans up. It has been an honest difference of opinion. Many different views have been expressed in committee. We finally resolved on the conference report which we are now considering. It does not satisfy everybody completely as far as I know, but it is the result of a meeting of the minds of the conferees of the other body and of the House. The essential difference between the Senate and House conferees in the beginning and in the present conference report is that the majority of the House conferees thought that both Houses should have a chance to disapprove by resolution any reorganization plan set up by the President.

The other body thought that only one House should have that authority, and that by a majority of those present. The House conferees advanced various solutions, and we finally went from the two-House position to the one-House position. Then a discussion arose as to how much of that one House. The suggestion was that two-thirds of that one House should constitute the necessary disapproving amount of that particular House. Then three-fifths was discussed, bringing it down to 58 Members in the other body. The final solution was not what the other body originally wanted, which was a majority of a quorum, but which was a constitutional majority of 49 in the other body and 218 in this House.

Now, what does this do? After a month's stalemate we have finally given the President authority—and I speak as though the law were already passed and signed—we give him authority to send plans up to the legislative body—both bodies. He has plans ready. He has had plans ready for several weeks, as he has confided to members of this subcommittee. It has not been laxity on the

part of the President in not wanting to have these reorganization plans placed before the legislative body. It has been the fact that he has not had the authority and will not have until this conference report is embodied into law. These reports will undoubtedly come up in the next few days. When that happens, remember this: that the responsibility for reorganization of the executive branch in line with the Hoover Commission recommendations and such other recommendations as the legislative body shall see fit to embody in substantive legislation, will become the responsibility of 218 Members of this House and 49 Members of the other body. That is a point which I want to get over. The responsibility will then be upon the Congress to go ahead and uphold the President in these reorganization plans, and if any of these reorganization plans are turned down, it will be upon the responsibility of either 218 Members of this body or 49 Members of the other body. The responsibility will not be on the President.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. McCORMACK. With special emphasis on the Senate, because the House, for all practical purposes—and I say it regretfully—the House for all practical purposes was compelled to capitulate to the Senate bill.

Mr. HOLIFIELD. We came to the position that is in the conference report, 49 in the other body and 218 here, reluctantly, after 30 days, because we honestly and sincerely felt that it was not giving the President an advantage which he should have in sending us reorganization plans.

The SPEAKER. The time of the gentleman has expired.

Mr. DAWSON. Mr. Speaker, I yield the gentleman five additional minutes.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. Yes; I yield.

Mr. RICH. The President's authority under this legislation is to consolidate departments and reorganize them?

Mr. HOLIFIELD. That is right.

Mr. RICH. The President has no authority, or power, as I understand it, to grant new legislation without the consent of the Congress? He cannot say that we are going to have certain functions of Government performed, and establish those functions? That is not the prerogative of this legislation, is it?

Mr. HOLIFIELD. The gentleman is substantially correct.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. HOFFMAN of Michigan. I cannot let the statement of the gentleman from Massachusetts [Mr. McCORMACK], about that disgraceful surrender of the House conferees, go without some comment. Under the bill passed by the House a simple majority of both Houses could, by concurrent resolution, defeat a plan. Now, if they fix it so that it requires a constitutional majority, it gives the President more leeway than the other way. If the gentleman will get a few more of these surrenders in here, neither

the House nor the Senate would have any authority to veto at all.

One more thing, you are talking about these plans coming up, but we cannot possibly, no Congressman—well, I will say no Republican Congressman—can possibly know what is in these Hoover reports and the task reports, we just cannot familiarize ourselves with them because the business of these bureaus and departments is the biggest business in the world. What I should like to have for the Republican side of the House is some adviser who can digest this material; if you would only give us some expert who could help us when these bureau people come before us and talk about economy and efficiency, while we know and suspect all the time that behind it there is extravagance, and waste, and more power, we might get somewhere. Give us someone who can help us analyze it, will you?

Mr. HOLIFIELD. I hope that I will be able to present to each Member of the House very shortly a preliminary analysis of the different recommendations of the Hoover Commission report that have been embodied in drafts of legislation and where these reports have been referred to committees. About 12 of them have been referred to the Committee on Expenditures, and I believe about 7 have been referred to specific committees of Congress to act upon. I expect to have this analysis ready, and I am going to have it mimeographed and send a copy to each Member of the House, in order to give him a concrete report of what the situation is right at the present time.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. McCORMACK. My friend, the gentleman from Michigan [Mr. HOFFMAN], of course, fails to state that what the House conferees were doing was to fight for the recommendations made by President Truman, who, politically, is the leader of the Democratic Party, and also the same recommendations made by former President Hoover, who, politically, is the leader of the Republican Party. The House conferees were fighting to try to carry into law the recommendations of the only living President and the only living former President of this country.

Mr. HOLIFIELD. And the Hoover Commission itself. I wish to say that the thing that we were fighting for was to give the President a more effective means of obtaining the reorganization of the Government than we are giving him in this conference report. That is my opinion. I realize, of course, that the gentleman from Michigan [Mr. HOFFMAN] disagrees with me. I say that the House has weakened the bill by agreeing to a constitutional majority. That is what we have been fighting over, effective power for the President to reorganize. When the President has sent his plan up to Congress the responsibility is transferred from the executive branch to the legislative branch; and when any coalition of 49 Members in the other body or 218 Members in the House stand on record before the American people that they oppose the plan, that they will block the plan, the responsibility for blocking the reorganization of the executive branch rests with that group.

The SPEAKER. The time of the gentleman from California has expired.

Mr. DAWSON. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield for a correction?

Mr. HOLIFIELD. I yield.

Mr. HOFFMAN of Michigan. The gentleman will admit that the conference report gives the President more authority than he asked for in that it gives him the power to create new departments as well as transfer departments.

Mr. HOLIFIELD. That is very true, but it also gives to either body of the Congress the right of veto by a constitutional majority, the right to nullify not only the establishment of a new department, but to nullify any other plan that he sends up. You give to him with the one hand but you take away more from him with the other.

Mr. HAYS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. HAYS of Ohio. I wish to say, as a member of the subcommittee on accounts that I am torn between the plea of the gentleman from Michigan on the one hand for economy and on the other hand for more help; but I am going to stifle my natural impulse toward economy and the gentleman can count on my vote for all the help the committee needs.

Mr. HOLIFIELD. I appreciate that very much; and I will say that the gentleman from Ohio and the gentleman from Michigan are not very far apart on the standpoint of economy, because if we are given sufficient help on this staff to bring these recommendations together properly in the form of substantive legislation we will then achieve economy far beyond the salaries of three or four experts on the staff.

Mr. DAWSON. Mr. Speaker, I yield myself the balance of the time.

Mr. Speaker, I wish to call attention to the fact that the Committee on Expenditures of the House has done everything in its power to bring out legislation for the purpose of obtaining efficiency and economy in the operation of our Government. May I call attention to the fact also that this bill was voted out of our committee in the month of February and it is before us in the month of June due to no fault upon the part of the members of the Committee on Expenditures nor on the part of the membership of the House.

Mr. Speaker, I call attention to the fact that other legislation calculated to cut down the number of agencies and to bring about more efficiency and economy in the executive departments has passed our committee and is now pending before the other body of the Congress.

So we can with pride point to the fact that the House of Representatives has acted expeditiously upon these reports of the Hoover Commission. I am sure, Mr. Speaker, that we have listened to sufficient argument upon this question and that the Members have made up their minds, so I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

ADJOURNMENT UNTIL MONDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SPEAKER EMPOWERED TO SIGN BILLS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until Monday next the Clerk of the House be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request to the gentleman from Massachusetts?

There was no objection.

INTERNATIONAL BOUNDARY AND WATER COMMISSION

Mr. BONNER. Mr. Speaker, after consultation with both minority and majority leaders, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1338) authorizing the transfer to the United States section, International Boundary and Water Commission, by the War Assets Administration, of a portion of Fort Brown at Brownsville, Tex., and adjacent borrow area, without exchange of funds or reimbursement, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 3, line 11, strike out "subjected" and insert "subject."

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, the Senate amendment is merely a clerical one?

Mr. BONNER. The gentleman is correct.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

RETURN TO OWNERS OF THE REAL PROPERTY AT CAMP STEWART, GA.

Mr. BONNER. Mr. Speaker, I ask unanimous consent that the bill (H. R. 3700) to provide for the return to the former owners of the real property at Camp Stewart, Ga., which has previously been referred to the Committee on Expenditures, be re-referred to the Committee

on the Armed Services of the House, as the Committee on Expenditures does not have jurisdiction over the matter.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

EXTENSION OF REMARKS

Mr. DAVIS of Georgia asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. MILLER of California asked and was given permission to extend his remarks in the Appendix of the RECORD and include two editorials.

Mr. ANGELL asked and was given permission to extend his remarks in the RECORD and include a short article.

Mr. KEATING asked and was given permission to extend his remarks in the Appendix of the RECORD and include two editorials.

Mr. MCGREGOR asked and was given permission to extend his remarks in the Appendix of the RECORD and include a chart showing the cost and benefits of the bill S. 246 in each county of the State of Ohio.

APPOINTMENT OF ADDITIONAL CIRCUIT AND DISTRICT JUDGES

Mr. MADDEN. Mr. Speaker, by direction of the Rules Committee, I call up House Resolution 248 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4963) to provide for the appointment of additional circuit and district judges, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. MADDEN. Mr. Speaker, I yield myself such time as I may desire, and I yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. Speaker, this rule calls for the consideration of H. R. 4963, an omnibus bill. It is a combination of several bills that have been filed by about 20 Members of the House. In order to relieve the highly critical and congested situation in certain of our Federal courts throughout the country.

I wish to congratulate the chairman of the Committee on the Judiciary, the gentleman from New York [Mr. Celler] and the chairman of the subcommittee, the gentleman from New York [Mr. Byrne] as well as all the members of

the Committee on the Judiciary for the outstanding work they have done in presenting this bill to the House.

As I stated before, the legislation set out in this bill has been in critical need for the last 10 years. The Committee on the Judiciary, over weeks of hearings, have heard testimony from circuit judges, district Federal judges, lawyers, and bar associations. The Judicial Conference of 1948, the Attorney General of the United States, and all these various circuit and district judges have endorsed the legislation set out in this bill. The Director of Administration for the United States courts has submitted all of the necessary data and statistics setting out the need for additional circuit and Federal district judges throughout the country in order to relieve the highly congested condition of certain Federal courts throughout the country. The Administrative Office of the United States Courts has scrutinized the records of these various Federal courts from 1940 down to June 30, 1949, in order to determine the necessity for this legislation. In 1948 these statistics showed that private cases alone have increased the work load of the Federal district courts by over 1,000 cases in 1 year. The annual average increase in the Federal district courts of the United States is one-third more than it was in any year before the war. Since 1940 civil litigation alone in the various district courts has increased over 32 percent and private civil cases, which are really the time-consuming cases in Federal courts, has increased over 38 percent. During this period the increase in the number of Federal judges has been only 5 percent, while the increase in the work load has averaged about 38 percent.

Mr. Speaker, this bill calls for 24 new judges, 6 circuit judges, and 18 district judges. The Judiciary Committee has done a magnificent job in determining the various districts throughout the United States where these district judges should be assigned. In my own district, the northern district of Indiana, the Federal district judge sits at Fort Wayne and at Hammond and at South Bend. As far back as 5 or 6 years ago I heard judges, lawyers, and the United States attorney complain about the terrific work load in the Federal district court in northern Indiana, that undecided cases had piled up not only into the hundreds but into the thousands.

Mr. Speaker, this legislation came out of the Committee on the Judiciary by a unanimous vote and should be enacted into law.

(Mr. BROWN of Ohio asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Speaker, as the gentleman from Indiana, a member of the Committee on Rules [Mr. Madden], has explained, House Resolution 248 makes in order the consideration of the bill H. R. 4963, under an open rule providing for 2 hours of general debate. This very important measure was reported by the House Committee on the Judiciary by a unanimous vote. I under-

stand that within the committee itself, or within the subcommittee, there was unanimous agreement that this bill be reported favorably. However, there may be just one division of opinion in connection with this bill, on one of the minor provisions, and I understand an amendment will be offered later, so the House may pass on that matter.

I want to compliment the Committee on the Judiciary, and especially the subcommittee which considered this legislation, bringing in this measure in a form which will make it unnecessary for the House to consider quite a large number of other bills. In other words, the subcommittee took all of the various measures which had been introduced by different Members of Congress to relieve the shortage of Federal judges in different sections of the country, carefully investigated and studied their requests, and the actual operation of the courts within the particular districts, States, and areas affected, and then brought in this one bill to give proper relief to the Federal courts, and to the people of the United States who must use the Federal courts, where the committee found it was absolutely necessary to do so. It also eliminated the requests for additional judges in districts where the committee in its discretion and wisdom found that the present judicial officers could carry on their work without too great hardship. I believe that this bill is really a non-controversial measure. I am sure the members of the Committee on the Judiciary can, in general debate, very readily answer any and all questions as to the judicial districts which may be affected by this legislation, and easily substantiate the need for the additional judges this measure would provide.

Mr. MADDEN. Mr. Speaker, I yield 10 minutes to the gentleman from Pennsylvania [Mr. WALTER].

Mr. WALTER. Mr. Speaker, I apologize to my colleagues for taking this time on what is purely a personal matter. I had no intention to take the floor on this matter, despite the fact that for weeks I have been subjected to all sorts of criticism from a lot of very slimy newspaper people who have been printing stuff that can only be adequately described through the use of an ugly four-letter word that I would not use behind anybody's back. But when a Member of the other body violated the rule of comity by inserting in the CONGRESSIONAL RECORD of June 1, on page A3556, matter that is designed for one purpose and one purpose only, and when this Member of the United States Senate became a part of this smear campaign of partisan politics, I felt that in justice to myself I should make a brief statement.

I suppose that all of you have been reading these stories in the local newspapers about my efforts to have a man removed from his position because he was a Republican. The fact of the matter is I never made any effort to have this man removed from a job and this man is not a Republican. The only time he ever claimed any connection with the Republican Party was when last fall he gave his father's address as a legal resi-

dence and, for the first time in his life, registered in any political party and became the Republican candidate for Congress against me. Of course I felt that I ought to know something about this man. I found that throughout the entire period of the great expansion of our Government during the New Deal Administration, from 1932 to 1941, he had advanced in the civil service to the position of auditor, paying \$2,900 a year. Upon his return from military service in the military government branch of the Navy, he was placed in a position paying \$9,000 a year. Then he resigned in order to become a candidate for Congress. After the campaign was over he came back to Washington and a job was made for him in the War Department in which this \$2,900-a-year clerk was paid \$10,300 a year. I knew of his qualifications and I knew what the specifications for the job were. I had my office call the Civil Service Commission in order to determine exactly what the qualifications were for that job. I was informed that he did not come within a mile of meeting them. Then, because of that inquiry, I was charged with attempting to have this man removed from his position because of his politics. My entire connection with this matter came from the inquiry my office made as to the qualifications for this job.

Ever since I have been a member of the Committee on Un-American Activities I have wondered how certain types of people were placed in good jobs in the Government. I have wondered about the Hisses and the Chambers and the rest of them. I say that because when I am charged with attempting to have a man removed from office, I feel that this smoke screen is raised for the express purpose of diverting the attention of the American people from the reasons why this man left the Federal Government. In that connection I would like to point out to you that at about the time he resigned he launched a bitter attack on Lieutenant Governor Coolidge of Massachusetts and on the Governor of Hawaii because those two great Americans exposed the Communist plot to tie up the economy of Hawaii. That gratuitous attack, not in any official capacity, brought from both the Lieutenant Governor of Massachusetts and the Governor of Hawaii statements pointing out what the CIO Longshoremen and Harbor Workers' Union had done in the way of organizing all of the workers in Hawaii and the threats that the leaders of the Communist-controlled labor union made to carry out the crippling and paralyzing of the economy of Hawaii, threats which have since been carried out. After these attacks had been made, Secretary Krug was asked whether or not this man was going to be discharged. Secretary Krug said in reply to that question that that was a hypothetical question because the man had already resigned from the Interior Department.

More than that, this man has been an active member of an organization that our own distinguished colleague, the gentleman from Minnesota, Dr. Judd, requested the Un-American Activities Committee to investigate, an organization

that has been classified as a Communist front organization.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield.

Mr. RICH. I do not think the gentleman from Pennsylvania, the senior Member on the Democratic side, need apologize to anybody for his activities as far as the Republicans are concerned, because I always consider he has been very generous to Republicans whenever we asked him to do the right thing, and he has never failed to help us in cases of that kind. I commend the gentleman for many of his actions. You know I would not give a lot of Democrats a lot of credit if I did not think they deserved it.

Mr. WALTER. I am very much afraid that my distinguished colleague, upon reflection, will not be able to sleep too well this evening. That is a very generous statement, and I appreciate it very much.

I again apologize for taking this time, and I repeat, I would not have done so but for the fact that a United States Senator inserted in the CONGRESSIONAL RECORD a statement which is probably libelous and on which my attorneys will take appropriate action in the very near future.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield.

Mr. McCORMACK. The very success of a two-branch legislative government is the respect of one branch for the other and the members of one branch for the members of the other. The rule is very strictly enforced in this House, and properly so, by our distinguished and beloved Speaker. We do not see any violations here. Of course, in an extension of remarks one does not know what goes in, but the responsibility is upon the individual Member to be sure that when he does extend his remarks in the Appendix of the RECORD, there is no violation of the rules between the two branches or of the comity between the two branches.

Only the other day a Member of the other body referred to me in his speech. He made certain statements that are as far removed from the truth as any statements could be. I made a statement on the floor the other day. I did not make any reference to any Member of the other body. I kept within the rules of the House. There are two instances that have happened recently. It is because of these happenings and what the gentleman from Pennsylvania has properly said, that it seems to me the membership of the other body ought to stop, look, and listen.

Mr. WALTER. I excuse the insertion of the article, I will state to the distinguished majority leader, on the grounds of ignorance of the rules.

Mr. MADDEN. Mr. Speaker, the gentleman from Ohio [Mr. BROWN] informs me he has no further requests for time. I have no requests for time on this side.

Therefore, I move the previous question.

The previous question was ordered.

[From the Los Angeles News of June 11, 1949]

ONCE AGAIN, THE REDS

Let's get this straight: The Daily News and this writer believe that communism, as it exists in fact, is a dangerous world conspiracy, out to destroy the United States Government. Its chief exponent is Soviet Russia.

Communism, like a trap, is baited with ideals, promises, clever phrases and distortions. There is a particular bait for each individual; if a man is having hard luck financially, communism will punish the man who had good luck and solve the problems of the loser; if he feels that he is being discriminated against because of race, creed, or color, communism will be the great equalizer; it will exalt him and destroy his enemies. Communism will end injustice and solve all problems.

So the promises go. Each is a bait calculated to trap the individual.

Communists are trained to become agitators, confusers, and troublemakers. When the hard core of the Communist Party entered the United States, it found a virgin field for operations. No people anywhere in the world—except perhaps in Great Britain and, for a time, in France—so enjoyed, or for that matter, so abused, freedom of speech, freedom of the press, and freedom of action. The clever Communists took advantage of these freedoms and used them for their own sinister purposes.

No sane, thoughtful American citizen could view objectively the state of affairs that has prevailed in the United States—especially during the last 17 years—without realizing that Communist activities have permeated many of our most sacred institutions, and, if allowed to remain active, will destroy them.

A democracy is slow to take action and, by its very nature, lacks the efficiency and the thoroughness of a dictatorship.

The Federal Government and many of the States undertook to combat the Red menace through democratic processes. Un-American activity agencies were established and undertook to ferret out, expose, and, wherever possible, throw out Communists and their fellow travelers.

California, like many other States, has its un-American activities committee.

Because we believe that such a committee is indispensable to the welfare of the State and should be supported, we repeat what we should have said before in this column: We believe that our un-American activities committee, as directed by its chairman, Senator Jack B. Tenney, not only has failed to serve the purpose for which it is intended but has been used more effectively than any other governmental institution in the State of California to aid, assist, and develop communism in this State.

Since the congressional Un-American Activities Committee more than 10 years ago linked Jack Tenney with radical left-wing movements in California and so found in its investigations, there was and is justifiable suspicion that he could be actively working for the Communist Party.

I do not, however, think that Jack Tenney is the master mind for the Reds. I think he is a political opportunist who is playing with fire and has what amounts to a moronic concept of what fire can do.

My view is that he was a Red during the depression when he thought that being a spokesman for the Communist element would advance his political fortunes, and that he switched over when he saw a great light and believed that he could get farther on the other side.

What Jack B. Tenney thinks and says, however, is one thing; what he does is another.

The service that Jack Tenney is rendering the Communist Party in California follows precisely and exactly the Communist line. There is a phrase for it—it is called *reductio ad absurdum*. That means reduce a thing to absurdity and you destroy it. The Communists want to destroy all un-American activities work—not only in the National Capital but in California. They know they cannot destroy it through straightforward opposition and so they use a political trick that has been successful down through the centuries: Make it absurd and it will die.

In plain words, what the Communist conspirators want is to have as many prominent, decent citizens named as Communists as possible.

Let's take a concrete example: The San Francisco Chronicle. Here is a newspaper that is regarded as one of the best edited in the United States. It has long served as a conservative, constructive journal. It has the respect of hundreds of thousands of citizens in San Francisco and elsewhere.

The Communists would pay handsomely to be able to say to the people in San Francisco: "You have read and followed the Chronicle for many years. You believe in it. Well, see here, the un-American activities committee, headed by Jack B. Tenney, now implies and reports that the San Francisco Chronicle is on the Communist side. Now how do you explain that? If communism is good enough for the Chronicle, it must be good enough for you. Join up."

Or take another example: The San Francisco News. This is one of a chain of newspapers owned by the Scripps-Howard organization. As far back as I can remember, the entire chain has been part and parcel of the American way of life in every respect.

The Communists would like to say to a prospect: "Now you see that according to Jack Tenney and his un-American activities committee, the San Francisco News is helping the Communist cause. Well, if people like that see something worth while in communism, it is good enough for you, isn't it? Why don't you join up?"

The Communist Party and all of its publications have printed more derogatory articles about me than perhaps any single newspaperman in California, notwithstanding which the Los Angeles Daily News continues to receive the strong and faithful support of hundreds of thousands of readers in Los Angeles.

If the Communists could say to a prospect: "According to Jack B. Tenney and his un-American activities committee, the Daily News does not support anticommunism," they would have gained an important objective.

Jack B. Tenney now makes that statement possible.

No one can read the list of men and institutions who have been included by Jack Tenney in his un-American activities reports without being appalled that he has taken his high position so lightly; that he has apparently been a willing tool in the hands of the Communists who want nothing more than to confuse the public by "authenticating" such a list.

Even his apologists explain that he considers his un-American activities committee as a club that he can use to collect campaign contributions and political endorsements. If an individual or newspaper refuses to endorse him for office, he is in a position to say: "I will see that you are mentioned adversely in the report of the Un-American Activities Committee."

Whether he does this with malice or forethought, I do not know. Perhaps he has a moronic blind spot and is unable to see how perilously un-American such activities really are.

In any event, the State of California cannot afford to have an irresponsible opportunistic firebrand in charge of the most important committee in its government.

Jack B. Tenney should be removed as head of this committee and a man who understands the words "United States of America" should be put in his place. And the sooner, the better.—M. B.

Oil Imports

EXTENSION OF REMARKS

OF

HON. LINDLEY BECKWORTH

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 16, 1949

MR. BECKWORTH. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following letters:

DEPARTMENT OF THE INTERIOR,
BUREAU OF MINES,

Washington, D. C., June 7, 1949.

Hon. LINDLEY BECKWORTH,

House of Representatives.

MY DEAR MR. BECKWORTH: I take pleasure in sending you the following remarks with reference to the article in the Fort Worth Star-Telegram of May 29, 1949, that you attached to your note dated May 26.

During the period of rapidly growing demand for petroleum that terminated toward the end of 1948, the market readily absorbed production from United States fields at progressively higher record rates (at advanced prices) and in addition sharply increased imports from foreign sources. There seems to be rather general agreement that domestic production was at or very near to maximum rates during most of 1947 and 1948. Hence, expanded imports were required to avoid very severe shortages.

With the beginning of 1949 an abrupt decline in the demand for petroleum developed, as reflected in statistics of the United States producing and refining industry. Under this condition there is little doubt that the influence of imported oil has been felt, particularly in Texas which has absorbed the major part of the decline in demand. Imports have declined but are still materially greater than they were in the early postwar period. In States other than Texas and the Pennsylvania grade-producing area, the income of crude-oil producers and royalty owners has suffered relatively little because production rates and crude prices at the wells have not changed greatly.

We believe that the indicated demand for oil in the late months of 1949 will be significantly above current and recent rates and that Texas oil will regain much of the recent loss.

We agree, however, that the maintenance of conditions in the United States that will cause a continuation of active exploration and development of petroleum reserves is essential to the national interest. Such a program can provide the means of achieving again a productive capacity within the United States sufficiently in excess of current needs to serve as an effective safety factor in the event of a future war. The attainment of this objective will be influenced, of course, by future policy of the Government with respect to imports of petroleum.

Your clipping from the Star-Telegram is returned herewith.

Sincerely yours,

THOS. H. MILLER,
Acting Director.

THE SECRETARY OF THE INTERIOR,
Washington, June 14, 1949.

HON. LINDLEY BECKWORTH,
House of Representatives.

MY DEAR MR. BECKWORTH: I was glad to receive the copy of the editorial, Oil Imports Rising to Danger Level, from the Fort Worth Star-Telegram, which you sent me on June 1.

The keynote of the editorial is in the last paragraph, I think, where it is stated that the danger from oil imports is in halting or severely curtailing the constant search for and development of our oil resources.

The Railroad Commission of Texas has released information which shows that through June 4, 1949, there were 197 new oil discoveries in Texas as compared with 131 in 1948; gas discoveries totaled 50 as compared with 27; oil-well completions in 1949 totaled 3,671 as compared with 3,000 last year; gas wells totaled 307 as compared with 258; and drilling applications 6,220 as compared with 5,847. The commission also has stated that new oil-well completions in Texas add about 35,000 barrels per month to the daily oil allowable, which gives us another measure of the extent of new oil finding in Texas.

Although the current output of Texas crude oil is substantially below that of last winter, it is good to note from the figures of the railroad commission that the search for oil continues in Texas at a rate well ahead of last year.

Sincerely,

WILLIAM E. WARNE,
Assistant Secretary of the Interior.

Government Reorganization

EXTENSION OF REMARKS OF

HON. A. L. MILLER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 16, 1949

Mr. MILLER of Nebraska. Mr. Speaker, I am pleased to know that the conferees have finally come to an agreement upon the procedure to be followed in the bill to give the President powers to reorganize the executive branch of the Government.

I think the compromise we have before us this morning is excellent. I take a rather dim view of proposals that may be presented by the bureaus. You know it is not easy to take \$3,000,000,000 off the Federal pay roll, because that would mean in the reorganization, the elimination of three or four hundred thousand Federal employees. Mr. Speaker, these are pay-roll votes and bureaucracy will fight fiercely to grow larger instead of smaller. I personally expect to support every phase of the reorganization plan which will bring efficiency to government.

I spent a few days in Nebraska this last week, and I found that the people in my district have 3 things uppermost in their minds.

One was for economy in government which included adopting the Hoover reorganization plan and implementing it with necessary legislation to cut out the overlapping, inefficient bureaus in government.

They are nearly 100 percent against the Brannan farm program. They feel it means regimentation and controls

which they abhor. I expect to take some time in the next few days to deal further with this subject.

They are anxious that a labor bill be passed which would be in the interest, not of big business and big labor leaders, but in the interest of the public and the man in overalls who must work to make a living for himself and family.

Radio Service to the Great Lakes Region

EXTENSION OF REMARKS OF

HON. CHARLES E. POTTER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 16, 1949

Mr. POTTER. Mr. Speaker, as a member of the Committee on Merchant Marine and Fisheries and as the Representative of a Michigan district bordered by three of the Great Lakes, I am well aware of the need for radio service to those who make their living on the Lakes and to those who enjoy unexcelled boating in the vacationland that is Michigan.

WJR Detroit, in my State, renders an exceptionally fine weather service, one not only of prime importance to listeners in homes in Michigan and nearby States, but a special daily marine weather service to the thousands of seamen who make their living on vessels plying the Great Lakes.

WJR is a clear-channel station; therefore, it is protected during the daytime from interference from other stations, and at night it is the only station to operate on that frequency, 760 kilocycles, anywhere in the United States and North America. With its clear channel, it is able to reach beyond greater Detroit, to the rural and sparsely settled areas which otherwise would have little or no opportunity to receive the innumerable benefits of radio—weather and market information, news broadcasts, and entertainment.

Under leave to extend my remarks, I would like to include in the RECORD the following statement on WJR's clear-channel marine weather service, plus letters of commendation from the United States Department of Commerce, the Detroit branch of the United States Navy Hydrographic Office, the physics department of Denison University in Ohio, and several others from grateful sportsmen:

Every sailor must know two things at all times—where he is, and what kind of weather he can expect. This vital information must be his whether he be aboard a Great Lakes freighter, a commercial fishing boat, or a private yacht. On March 4, 1946, WJR established a complete farm weather report and forecast direct from the Detroit office of the United States Weather Bureau. It was soon found that many sailors and commercial fishermen were making extensive use of this weather data despite the fact that these broadcasts were not designed specifically as marine reports. The reason for this was twofold: First, and foremost, the Goodwill Station's clear-channel signal and extensive coverage; second, a great majority of boats and ships are equipped only with broadcast receivers. In view of this, three

series of marine weather reports were instituted: One, a complete report at 12:06 a. m. each day Sunday through Saturday; two, the farm weather report at 6:40 a. m. Sunday through Saturday (broadcast by U. S. Weather Bureau personnel direct from the Detroit office of the Bureau); was expanded to include specific hydrographic information; three, marine weather material was incorporated into a news program 5 to 5:15 p. m. Monday through Friday.

To insure complete coverage of weather data needed by lake seamen, an inquiry was made by WJR from Weather Bureau experts, the United States Navy Hydrographic Office, and the sailors themselves to determine what exact information was needed and what would be the best form for its broadcasting. As a result, the broadcasts were set up as follows:

12:06 a. m. report: A complete forecast for Lakes Huron, St. Clair, and western Erie, including expected weather, wind direction and velocity; prevailing conditions at selected stations from Sault St. Marie to Cleveland (weather, wind direction and velocity, barometer, temperature, and dewpoint); storm warnings (when indicated).

6:40 a. m. report: Forecast for Lakes Huron, St. Clair and Erie, including expected weather, wind direction and velocity; the present Detroit barometer reading, temperature and dewpoint; storm warnings (when indicated).

5-5:15 p. m. report (as part of news program): Lake forecast, including expected weather, wind direction and velocity; present wind direction and velocity, temperature; storm warnings (when indicated).

This series of broadcasts represents one of the most far-reaching coverages of marine-weather information of any commercial radio station on the Great Lakes. That these reports are filling a vital need for Lake sailors and fishermen has been verified by a number of responsible sources. The United States Weather Bureau has commended WJR on the extensive effects of the broadcasts. The United States Navy Hydrographic Office has indicated them to be of great value to marine traffic on the Great Lakes. Representatives of Great Lakes yachtsmen have expressed the manifold benefits derived from these reports by the hundreds of small-boat sailors they represent. Private individuals continually inform the Goodwill Station of the importance of these broadcasts to them.

Just as thousands of mariners on Lakes Huron, St. Clair, and Erie use compass, lights, and beacons to give them their position, they depend on WJR's clear-channel voice to bring them the other portion of information—the weather—which they must have for safe navigation.

WEATHER BUREAU,
UNITED STATES DEPARTMENT
OF COMMERCE,
Detroit, Mich., May 13, 1949.

Mr. HARRY WISMER,
General Manager, Radio Station WJR,
Detroit, Mich.

DEAR Mr. WISMER: Through courtesy of Station WJR, the Weather Bureau in the Detroit area is enabled to give what we consider an outstanding service to the public of Michigan and surrounding areas. The broadcast direct from our office on Mr. Wells' program at approximately 6:40 each morning enables us to not only inform the public of forecasts, but also to give spot weather conditions over a considerable area and a general picture of the weather map, which enables our many listeners to visualize the current situation and formulate plans for their activities.

These broadcasts are designed primarily for the benefit of agricultural interests and from comments received both by your station and our office, it is apparent they constitute a real service covering a large area. Owing

[PUBLIC LAW 109--81ST CONGRESS]

[CHAPTER 226--1ST SESSION]

[H. R. 2361]

AN ACT

To provide for the reorganization of Government agencies, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I

SHORT TITLE

SECTION 1. This Act may be cited as the "Reorganization Act of 1949".

NEED FOR REORGANIZATIONS

SEC. 2. (a) The President shall examine and from time to time reexamine the organization of all agencies of the Government and shall determine what changes therein are necessary to accomplish the following purposes:

(1) to promote the better execution of the laws, the more effective management of the executive branch of the Government and of its agencies and functions, and the expeditious administration of the public business;

(2) to reduce expenditures and promote economy, to the fullest extent consistent with the efficient operation of the Government;

(3) to increase the efficiency of the operations of the Government to the fullest extent practicable;

(4) to group, coordinate, and consolidate agencies and functions of the Government, as nearly as may be, according to major purposes;

(5) to reduce the number of agencies by consolidating those having similar functions under a single head, and to abolish such agencies or functions thereof as may not be necessary for the efficient conduct of the Government; and

(6) to eliminate overlapping and duplication of effort.

(b) The Congress declares that the public interest demands the carrying out of the purposes specified in subsection (a) and that such purposes may be accomplished in great measure by proceeding under the provisions of this Act, and can be accomplished more speedily thereby than by the enactment of specific legislation.

REORGANIZATION PLANS

SEC. 3. Whenever the President, after investigation, finds that—

(1) the transfer of the whole or any part of any agency, or of the whole or any part of the functions thereof, to the jurisdiction and control of any other agency; or

(2) the abolition of all or any part of the functions of any agency; or

(3) the consolidation or coordination of the whole or any part of any agency, or of the whole or any part of the functions thereof, with the whole or any part of any other agency or the functions thereof; or

(4) the consolidation or coordination of any part of any agency or the functions thereof with any other part of the same agency or the functions thereof; or

(5) the authorization of any officer to delegate any of his functions; or

(6) the abolition of the whole or any part of any agency which agency or part does not have, or upon the taking effect of the reorganization plan will not have any functions,

is necessary to accomplish one or more of the purposes of section 2 (a), he shall prepare a reorganization plan for the making of the reorganizations as to which he has made findings and which he includes in the plan, and transmit such plan (bearing an identifying number) to the Congress, together with a declaration that, with respect to each reorganization included in the plan, he has found that such reorganization is necessary to accomplish one or more of the purposes of section 2 (a). The delivery to both Houses shall be on the same day and shall be made to each House while it is in session. The President, in his message transmitting a reorganization plan, shall specify with respect to each abolition of a function included in the plan the statutory authority for the exercise of such function, and shall specify the reduction of expenditures (itemized so far as practicable) which it is probable will be brought about by the taking effect of the reorganizations included in the plan.

OTHER CONTENTS OF PLANS

SEC. 4. Any reorganization plan transmitted by the President under section 3—

(1) shall change, in such cases as he deems necessary, the name of any agency affected by a reorganization, and the title of its head; and shall designate the name of any agency resulting from a reorganization and the title of its head;

(2) may include provisions for the appointment and compensation of the head and one or more other officers of any agency (including an agency resulting from a consolidation or other type of reorganization) if the President finds, and in his message transmitting the plan declares, that by reason of a reorganization made by the plan such provisions are necessary. The head so provided for may be an individual or may be a commission or board with two or more members. In the case of any such appointment the term of office shall not be fixed at more than four years, the compensation shall not be at a rate in excess of that found by the President to prevail in respect of comparable officers in the executive branch, and, if the appointment is not under the classified civil service, it shall be by the President, by and with the advice and consent of the Senate, except that, in the case of any officer of the municipal government of the

District of Columbia, it may be by the Board of Commissioners or other body or officer of such government designated in the plan;

(3) shall make provision for the transfer or other disposition of the records, property, and personnel affected by any reorganization;

(4) shall make provision for the transfer of such unexpended balances of appropriations, and of other funds, available for use in connection with any function or agency affected by a reorganization, as he deems necessary by reason of the reorganization for use in connection with the functions affected by the reorganization, or for the use of the agency which shall have such have such functions after the reorganization plan is effective, but such unexpended balances so transferred shall be used only for the purposes for which such appropriation was originally made;

(5) shall make provision for terminating the affairs of any agency abolished.

LIMITATIONS ON POWERS WITH RESPECT TO REORGANIZATIONS

SEC. 5. (a) No reorganization plan shall provide for, and no reorganization under this Act shall have the effect of—

(1) abolishing or transferring an executive department or all the functions thereof or consolidating any two or more executive departments or all the functions thereof; or

(2) continuing any agency beyond the period authorized by law for its existence or beyond the time when it would have terminated if the reorganization had not been made; or

(3) continuing any function beyond the period authorized by law for its exercise, or beyond the time when it would have terminated if the reorganization had not been made; or

(4) authorizing any agency to exercise any function which is not expressly authorized by law at the time the plan is transmitted to the Congress; or

(5) increasing the term of any office beyond that provided by law for such office; or

(6) transferring to or consolidating with any other agency the municipal government of the District of Columbia or all those functions thereof which are subject to this Act, or abolishing said government or all said functions.

(b) No provision contained in a reorganization plan shall take effect unless the plan is transmitted to the Congress before April 1, 1953.

TAKING EFFECT OF REORGANIZATIONS

SEC. 6. (a) Except as may be otherwise provided pursuant to subsection (c) of this section, the provisions of the reorganization plan shall take effect upon the expiration of the first period of sixty calendar days of continuous session of the Congress, following the date on which the plan is transmitted to it; but only if, between the date of transmittal and the expiration of such sixty-day period there has not been passed by either of the two Houses, by the affirmative vote of a majority of the authorized membership of that House, a resolution stating in substance that that House does not favor the reorganization plan.

(b) For the purposes of subsection (a)—

(1) continuity of session shall be considered as broken only by an adjournment of the Congress sine die; but

(2) in the computation of the sixty-day period there shall be excluded the days on which either House is not in session because of an adjournment of more than three days to a day certain.

(c) Any provision of the plan may, under provisions contained in the plan, be made operative at a time later than the date on which the plan shall otherwise take effect.

DEFINITION OF "AGENCY"

SEC. 7. When used in this Act, the term "agency" means any executive department, commission, council, independent establishment, Government corporation, board, bureau, division, service, office, officer, authority, administration, or other establishment, in the executive branch of the Government, and means also any and all parts of the municipal government of the District of Columbia except the courts thereof. Such term does not include the Comptroller General of the United States or the General Accounting Office, which are a part of the legislative branch of the Government.

MATTERS DEEMED TO BE REORGANIZATIONS

SEC. 8. For the purposes of this Act the term "reorganization" means any transfer, consolidation, coordination, authorization, or abolition, referred to in section 3.

SAVING PROVISIONS

SEC. 9. (a) (1) Any statute enacted, and any regulation or other action made, prescribed, issued, granted, or performed in respect of or by any agency or function affected by a reorganization under the provisions of this Act, before the effective date of such reorganization, shall, except to the extent rescinded, modified, superseded, or made inapplicable by or under authority of law or by the abolition of a function, have the same effect as if such reorganization had not been made; but where any such statute, regulation, or other action has vested the function in the agency from which it is removed under the plan, such function shall, insofar as it is to be exercised after the plan becomes effective, be considered as vested in the agency under which the function is placed by the plan.

(2) As used in paragraph (1) of this subsection the term "regulation or other action" means any regulation, rule, order, policy, determination, directive, authorization, permit, privilege, requirement, designation, or other action.

(b) No suit, action, or other proceeding lawfully commenced by or against the head of any agency or other officer of the United States, in his official capacity or in relation to the discharge of his official duties, shall abate by reason of the taking effect of any reorganization plan under the provisions of this Act, but the court may, on motion or supplemental petition filed at any time within twelve months after such reorganization plan takes effect, showing a necessity for a sur-

vival of such suit, action, or other proceeding to obtain a settlement of the questions involved, allow the same to be maintained by or against the successor of such head or officer under the reorganization effected by such plan or, if there be no such successor, against such agency or officer as the President shall designate.

UNEXPENDED APPROPRIATIONS

SEC. 10. The appropriations or portions of appropriations unexpended by reason of the operation of this Act shall not be used for any purpose, but shall be impounded and returned to the Treasury.

PRINTING OF REORGANIZATION PLANS

SEC. 11. Each reorganization plan which shall take effect shall be printed in the Statutes at Large in the same volume as the public laws, and shall be printed in the Federal Register.

TITLE II

SEC. 201. The following sections of this title are enacted by the Congress:

(a) As an exercise of the rule-making power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in such House in the case of resolutions (as defined in section 202); and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(b) With full recognition of the constitutional right of either House to change such rules (so far as relating to the procedure in such House) at any time, in the same manner and to the same extent as in the case of any other rule of such House.

SEC. 202. As used in this title, the term "resolution" means only a resolution of either of the two Houses of Congress, the matter after the resolving clause of which is as follows: "That the —— does not favor the reorganization plan numbered — transmitted to Congress by the President on ———, 19—.", the first blank space therein being filled with the name of the resolving House and the other blank spaces therein being appropriately filled; and does not include a resolution which specifies more than one reorganization plan.

SEC. 203. A resolution with respect to a reorganization plan shall be referred to a committee (and all resolutions with respect to the same plan shall be referred to the same committee) by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

SEC. 204. (a) If the committee to which has been referred a resolution with respect to a reorganization plan has not reported it before the expiration of ten calendar days after its introduction, it shall then (but not before) be in order to move either to discharge the committee from further consideration of such resolution, or to discharge the committee from further consideration of any other resolution with respect to such reorganization plan which has been referred to the committee.

(b) Such motion may be made only by a person favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same reorganization plan), and debate thereon shall be limited to not to exceed one hour, to be equally divided between those favoring and those opposing the resolution. No amendment to such motion shall be in order, and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

(c) If the motion to discharge is agreed to or disagreed to, such motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same reorganization plan.

SEC. 205. (a) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to a reorganization plan, it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of such resolution. Such motion shall be highly privileged and shall not be debatable. No amendment to such motion shall be in order and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

(b) Debate on the resolution shall be limited to not to exceed ten hours, which shall be equally divided between those favoring and those opposing the resolution. A motion further to limit debate shall not be debatable. No amendment to, or motion to recommit, the resolution shall be in order, and it shall not be in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

SEC. 206. (a) All motions to postpone, made with respect to the discharge from committee, or the consideration of, a resolution with respect to a reorganization plan, and all motions to proceed to the consideration of other business, shall be decided without debate.

(b) All appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution with respect to a reorganization plan shall be decided without debate.

Approved June 20, 1949.

INITIAL PROGRAM OF REORGANIZATION OF THE EXECUTIVE
BRANCH OF THE GOVERNMENT

M E S S A G E

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

RECOMMENDATIONS ON AN INITIAL PROGRAM OF REORGANIZATION
OF THE EXECUTIVE BRANCH OF THE GOVERNMENT

JUNE 20, 1949.—Referred to the Committee on Expenditures in the Executive
Departments and ordered to be printed

To the Congress of the United States:

I have today signed the Reorganization Act of 1949. The provisions of this act depart from my recommendation and that of the Commission on Organization of the Executive Branch in that they permit the rejection of reorganization plans by action of either House of Congress, acting alone. Nevertheless, I am glad to proceed, under this measure, in cooperation with the Congress, on the important task of improving the organization of the executive branch.

I am today transmitting to the Congress seven reorganization plans, each with a related message setting forth its purpose and effects. I shall also transmit an additional message recommending legislation to place the management and financing of the Post Office Department on a more business-like basis. These reorganization measures will contribute significantly to the more responsible and efficient administration of Federal programs. They are important steps in putting into effect several major recommendations of the Commission on Organization of the Executive Branch of the Government.

During this session of the Congress I have made a number of recommendations for improvement in the organization and management of the executive branch. They are closely related to the proposals submitted today.

The recommendations presented to the Congress at this session, in response to the specific opportunity presented by the reports of the Commission on Organization and the passage of the Reorganization Act, are of two types: First are those dealing with the general manage-

ment of the Government and affecting all or a large number of the agencies; second are those dealing with the organization of individual major departments or agencies.

With respect to general management:

Reorganization Plan No. 4 of 1949 rounds out the organization of the Executive Office of the President by transferring to it the National Security Council and the National Security Resources Board, two important over-all staff agencies of the executive branch.

Reorganization Plan No. 5 of 1949 improves the organization of the Civil Service Commission by making the Chairman responsible for the operation of civil-service programs within regulations made by the Commission. This will free the Commission as a body to concentrate upon matters of basic policy and on the determination of appeals.

I have previously recommended legislation for carrying out the proposals of the Commission on Organization of the Executive Branch of the Government that salaries of top officials be raised. This is essential if the Government is to retain and acquire men with the vigor, imagination, and experience necessary to make these reorganization measures truly effective.

I have previously recommended enactment of the Federal property and administrative services legislation which has passed the House of Representatives and is pending in the Senate. This legislation will create the General Services Administration and make fundamental improvements in the Government's system of procurement and property management.

Reorganization Plan No. 7 of 1949, which transfers the Public Roads Administration to the Department of Commerce, will facilitate the organization of the General Services Administration by enabling the new agency to focus its attention on perfecting central services and increasing the efficiency of the housekeeping activities of the Government. Furthermore, it will place the Public Roads Administration in its most appropriate location in the Government.

The Director of the Budget has been instructed to work with the departments and agencies in preparing budget estimates on a performance basis, as proposed by the Commission on Organization of the Executive Branch of the Government. This should provide a more understandable statement of Federal activities and of their financial requirements in the annual budget.

Other important steps for improving fiscal administration are included in the pending legislative revisions of the National Security Act and the legislation I shall propose for the Post Office Department. In addition, the executive agencies are cooperating with the General Accounting Office in improving their accounting systems.

Each of these actions is in general accord with the recommendations of the Commission on Organization of the Executive Branch of the Government. They do not complete the task of reorganizing the general management of the executive branch, but they represent a very significant beginning.

With respect to particular departments and agencies:

I have recommended, and the Congress has enacted, legislation to permit the reorganization of the Department of State along lines approved by the Commission on Organization. The internal reorganization of that Department is proceeding.

I have recommended, and the Senate has acted upon, a bill to amend the National Security Act and improve the organization and administration of our defense activities. It is essential that action be completed on this measure in order to provide responsible leadership for our defense establishment. This legislation will not only strengthen the administration of our armed forces in the interest of national security, it will also make possible major economies in the execution of activities common to the several armed forces.

Reorganization Plan No. 3 of 1949 and the legislation I shall recommend both deal with improvements in the operation and management of the Post Office. The plan and legislation would strengthen the top management of the Post Office and afford that Department greater financial and operating flexibility.

Reorganization Plan No. 1 of 1949 will create a Department of Welfare to administer most of the programs now within the Federal Security Agency. The creation of this Department will meet a long standing need of the executive branch and recognize the importance of our social security, education, and related programs.

Reorganization Plan No. 2 of 1949 strengthens the Department of Labor by transferring to it the employment service and unemployment compensation activities. This conforms to the recommendations of the Commission on Organization of the Executive Branch and reverses undesirable developments of recent years which have scattered various labor programs throughout the executive branch.

Reorganization Plan No. 6 of 1949 provides for the more effective administration of the operating activities of the United States Maritime Commission by vesting executive authority in the Chairman.

These are important moves affecting major areas of the Federal Government. Additional actions will be required to deal with other problems of departmental organization and administration. I intend to submit other reorganization plans and legislative recommendations to the Congress from time to time.

It is important that the Congress and the people appreciate the significance of these legislative proposals and reorganization plans. The common objective is a Government establishment which performs its authorized functions with effectiveness and economy. We are seeking to obtain this through improvements in organization and administrative arrangements.

The approval of a reorganization plan or the enactment of a statute dealing with organizational and administrative arrangements does not automatically produce efficiency and economy or reduce expenditures. Only the curtailment or abolition of Government programs can be expected to result in substantial immediate savings. The significance of reorganization plans or legislation is that they make it possible to work out improvements in administration which will increase efficiency and reduce expenditures over a period of time. Thus, they provide a necessary basis for increased economy and efficiency.

I intend to see that full advantage is taken of the opportunity for securing better operations which the reorganization plans afford. This will require a steady and sustained effort to achieve improved management. Without such an effort a major purpose of the reorganization actions will not be realized.

4 REORGANIZATION OF THE EXECUTIVE BRANCH OF GOVERNMENT

Taken together, the actions listed in this message place before the Congress an initial program of reorganization covering certain areas which the Commission on Organization of the Executive Branch has stated hold great promise of increasing economy and efficiency. The Commission did not state the amount of savings which could be anticipated, nor is it possible for me to indicate their ultimate dollar effect. By enlarging the opportunity for effective management within the Government, however, they will lead to more efficient performance of services by the Government and lower costs. In addition to the potential economies, these actions will invigorate and promote better management within the Government.

They deserve the support of the Congress and the people.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 20, 1949.*



REORGANIZATION PLAN NO. 1 OF 1949—DEPARTMENT OF
WELFARE

M E S S A G E

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

REORGANIZATION PLAN NO. 1 OF 1949, PROVIDING FOR A DEPART-
MENT OF WELFARE

JUNE 20, 1949.—Referred to the Committee on Expenditures in the Executive
Departments and ordered to be printed

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 1 of 1949, prepared in accordance with the provisions of the Reorganization Act of 1949. This plan will provide for a Department of Welfare to take its place among the principal executive departments of the Government. This new Department will perform the functions and conduct the programs now administered by the Federal Security Agency. Responsibility and authority for the administration of these programs will be vested in the Secretary of Welfare.

The creation of a Department of Welfare is long overdue. President Harding first recommended to the Congress the establishment of such a department in 1923. In 1937 President Roosevelt's Committee on Administrative Management likewise recommended the establishment of a Department of Social Welfare. More recently, the Commission on Organization of the Executive Branch of the Government has recommended the creation of a department to administer the social security and education functions of the Federal Government.

The foundation for the Department of Welfare was laid in 1939 with the establishment of the Federal Security Agency. With respect to this action the Senate Committee on Expenditures in the Executive Departments stated in its report on the Reorganization Act of 1949 that "the Federal Security Agency should have been designated an executive department" at the time of its creation; but the Reorgani-

zation Act then in effect did not permit such action. A second step was taken by Reorganization Plan No. 2 of 1946, which transferred additional related activities to the Federal Security Agency and strengthened its internal organization. Again, the Reorganization Act then in effect did not authorize the designation of the Agency as an executive department. However, I stated in my message accompanying that plan:

* * * but, while this step is important in itself, I believe that a third step should soon be taken. The time is at hand when that agency should be converted into an executive department.

Since then I have several times proposed that the Federal Security Agency be made an executive department.

The central purpose of the Federal Security Agency is the conservation and development of the human resources of the Nation. Plainly, as I stated in my message transmitting Reorganization Plan No. 2 of 1946:

The size and scope of the Federal Security Agency and the importance of its functions call for departmental status and a permanent place in the President's Cabinet.

In number of personnel and volume of expenditures it now exceeds several of the existing executive departments. The range of its programs and the significance of their impact upon national development obviously entitle it to a place in the highest rank of Federal organizations.

On May 9 of this year, when it appeared probable that the reorganization legislation would not permit the establishment of a new department, I urged the Congress to enact a measure creating a Department of Welfare. Since that restriction was later eliminated from the bill and the Reorganization Act of 1949 authorizes the establishment of an executive department, I have concluded that the reorganization-plan procedure affords the simplest and most expeditious method of creating a Department of Welfare.

In order to improve the administration of the Department, the plan consolidates in the Secretary of Welfare the functions now vested in the various officers and units of the Federal Security Agency and authorizes him to delegate their performance to appropriate officers and units of the Department. Thus, it carries out two of the cardinal recommendations of the Commission on Organization of the Executive Branch of the Government, namely, that the department heads should control and have full responsibility for the conduct of their departments and that they should have authority to organize their departments. Such authority will enable the Secretary to work out the most effective distribution of the work of the Department and will contribute both to efficiency and economy in administration and to the convenience of State agencies and the public in dealing with the Department.

After investigation I have found and hereby declare that each reorganization included in this plan is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1949. I also have found and declare that by reason of these reorganizations it is necessary to include in the plan provisions for the appointment and compensation of a Secretary of Welfare to head the Department of Welfare and of an Under Secretary and three

Assistant Secretaries to assist him in the proper performance of the heavy duties involved in the direction of the Department.

In submitting this reorganization plan, I am fully aware of the recommendations of the Commission on Organization of the Executive Branch of the Government with respect to the various units of the Federal Security Agency. Among these are proposals for certain transfers to or from other agencies. In Reorganization Plan No. 2 of 1949, which I am transmitting today, I am providing for one of the most important of these transfers. The other proposals are currently under study, but final conclusions have not yet been reached with respect to them. The establishment of the Department of Welfare will effectuate the one recommendation of the Commission on Organization of the Executive Branch of the Government for the creation of a new executive department. It will not in any wise interfere with the presentation of additional reorganization plans with respect to other recommendations of the Commission in this field or with the ability of the Congress to deal with any of them by statute.

The reorganizations included in this plan will provide for greater flexibility of internal organization, clearer responsibility, and more effective administration of the functions of the new Department. The benefits in improved service and lower costs will flow from the administrative actions made possible by the plan rather than immediately from the plan itself. Over a period it is probable that substantial reductions in expenditures will result in comparison with those which otherwise will be necessary, but it is not practicable at this time to itemize such reductions.

The creation of a Department of Welfare represents a sound and much-needed step in the improvement of Federal organization. It provides appropriate recognition for the related and highly important functions which the Government carries on to advance the welfare of its people. I urge that the Congress allow this reorganization plan to become effective.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 20, 1949.*

REORGANIZATION PLAN NO. 1 OF 1949

Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, June 20, 1949, pursuant to the provisions of the Reorganization Act of 1949, approved June 20, 1949

DEPARTMENT OF WELFARE

SECTION 1. *Department of Welfare.*—The name of the Federal Security Agency is hereby changed to "Department of Welfare" and such Department is hereby constituted an executive department.

SEC. 2. *Secretary of Welfare.*—(a) There shall be at the head of the Department of Welfare a Secretary of Welfare, who shall be appointed by the President by and with the advice and consent of the Senate and receive compensation at the rate of \$15,000 per annum or such other compensation as shall after the date of transmittal of this reorganization plan to the Congress be provided by law for the secretaries of executive departments.

(b) All of the functions of the Department of Welfare and of all officers and constituent units thereof, including all the functions of the Federal Security Administrator, are hereby consolidated in the Secretary of Welfare.

(c) The Secretary of Welfare is authorized to delegate to any officer or employee or to any bureau or other organizational unit of the Department designated by him such of his functions as he deems appropriate, except that the function of promulgating or approving regulations may be delegated only to the Under Secretary or an Assistant Secretary.

(d) Pending the initial appointment hereunder of the Secretary of Welfare, but not for a period exceeding sixty days, the Federal Security Administrator in office immediately prior to the taking of effect of the provisions of this reorganization plan shall be Acting Secretary of Welfare. He shall, while serving as Acting Secretary, receive the compensation of Secretary of Welfare.

SEC. 3. *Under Secretary and Assistant Secretaries of Welfare.*—There shall be in the Department of Welfare an Under Secretary of Welfare and three Assistant Secretaries of Welfare who shall be appointed by the President by and with the advice and consent of the Senate and each of whom shall perform such duties as the Secretary shall direct. The Under Secretary (or, during the absence or disability of the Under Secretary or in the event of a vacancy in his office, an Assistant Secretary designated by the Secretary) shall act as Secretary during the absence or disability of the Secretary or in the event of a vacancy in the office of Secretary. The Under Secretary and the Assistant Secretaries shall each receive compensation at the rate of \$10,330 per annum or such compensation as shall after the date of transmittal of this reorganization plan to the Congress be provided by law for the Under Secretaries and Assistant Secretaries, respectively, of executive departments.

SEC. 4. *Abolition of offices.*—(a) The office of Federal Security Administrator is hereby abolished.

(b) The office of Assistant Federal Security Administrator is abolished as of the time that the first Under Secretary of Welfare is appointed, or sixty days after the taking effect of this reorganization plan, whichever shall first occur.

(c) The two offices of assistant heads of the Federal Security Agency (provided for in section 5 of Reorganization Plan No. 2 of 1946 (60 Stat. 1095)) are abolished as of the time that an Assistant Secretary of Welfare is first appointed, or sixty days after the taking effect of this reorganization plan, whichever shall first occur.

S. RES. 147

IN THE SENATE OF THE UNITED STATES

JULY 29 (legislative day, JUNE 2), 1949

Mr. FULBRIGHT (for himself, Mr. TAFT, and Mr. HUNT) submitted the following resolution; which was referred to the Committee on Expenditures in the Executive Departments

RESOLUTION

- 1 *Resolved*, That the Senate does not favor the Re-
- 2 organization Plan Numbered 1 transmitted to Congress by
- 3 the President on June 20, 1949.

RESOLUTION

Disapproving Reorganization Plan Numbered 1
of 1949.

By Mr. FULBRIGHT, Mr. TAFT, and Mr. HUNT

JULY 29 (legislative day, JUNE 2), 1949
Referred to the Committee on Expenditures in the
Executive Departments

REORGANIZATION PLAN NO. 1 OF 1949 PROVIDING FOR A DEPARTMENT OF WELFARE

AUGUST 8 (legislative day, JUNE 2), 1949.—Ordered to be printed

Mr. McCLELLAN, from the Committee on Expenditures in the
Executive Departments, submitted the following

REPORT

[To accompany S. Res. 147]

The Committee on Expenditures in the Executive Departments, having had under consideration Senate Resolution 147, which provides that the Senate does not favor Reorganization Plan No. 1 of 1949, report favorably thereon and recommend that the resolution be approved by the Senate.

The President transmitted to the Senate and House of Representatives in Congress assembled on June 20, 1949, pursuant to the provisions of the Reorganization Act of 1949 approved June 20, 1949, Reorganization Plan No. 1 providing for a Department of Welfare to take its place among the principal executive departments of the Government and to perform the functions and conduct the programs now administered by the Federal Security Agency, and vesting responsibility and authority for the administration of these programs in a Secretary of Welfare.

PROVISIONS OF REORGANIZATION PLAN NO. 1 OF 1949

DEPARTMENT OF WELFARE

SECTION 1. *Department of Welfare.*—The name of the Federal Security Agency is hereby changed to "Department of Welfare" and such Department is hereby constituted an executive department.

SEC. 2. *Secretary of Welfare.*—(a) There shall be at the head of the Department of Welfare a Secretary of Welfare, who shall be appointed by the President by and with the advice and consent of the Senate and receive compensation at the rate of \$15,000 per annum or such other compensation as shall after the date of transmittal of this reorganization plan to the Congress be provided by law for the secretaries of executive departments.

(b) All of the functions of the Department of Welfare and of all officers and constituent units thereof, including all the functions of the Federal Security Administrator, are hereby consolidated in the Secretary of Welfare.

(c) The Secretary of Welfare is authorized to delegate to any officer or employee or to any bureau or other organizational unit of the Department designated by

him such of his functions as he deems appropriate, except that the function of promulgating or approving regulations may be delegated only to the Under Secretary or an Assistant Secretary.

(d) Pending the initial appointment hereunder of the Secretary of Welfare, but not for a period exceeding sixty days, the Federal Security Administrator in office immediately prior to the taking of effect of the provisions of this reorganization plan shall be Acting Secretary of Welfare. He shall, while serving as Acting Secretary, receive the compensation of Secretary of Welfare.

SEC. 3. *Under Secretary and Assistant Secretaries of Welfare.*—There shall be in the Department of Welfare an Under Secretary of Welfare and three Assistant Secretaries of Welfare who shall be appointed by the President by and with the advice and consent of the Senate and each of whom shall perform such duties as the Secretary shall direct. The Under Secretary (or, during the absence or disability of the Under Secretary or in the event of a vacancy in his office, an Assistant Secretary designated by the Secretary) shall act as Secretary during the absence or disability of the Secretary or in the event of a vacancy in the office of Secretary. The Under Secretary and the Assistant Secretaries shall each receive compensation at the rate of \$10,330 per annum or such compensation as shall after the date of transmittal of this reorganization plan to the Congress be provided by law for the Under Secretaries and Assistant Secretaries, respectively, of executive departments.

SEC. 4. *Abolition of offices.*—(a) The office of Federal Security Administrator is hereby abolished.

(b) The office of Assistant Federal Security Administrator is abolished as of the time that the first Under Secretary of Welfare is appointed, or sixty days after the taking effect of this reorganization plan, whichever shall first occur.

(c) The two offices of assistant heads of the Federal Security Agency (provided for in section 5 of Reorganization Plan No. 2 of 1946 (60 Stat. 1095)) are abolished as of the time that an Assistant Secretary of Welfare is first appointed, or sixty days after the taking effect of this reorganization plan, whichever shall first occur.

Under the provisions of the Reorganization Act of 1949 (Public Law 109—81st Cong.) the plan shall take effect upon the expiration of the first period of 60 calendar days, of continuous session of the Congress, following the date on which the plan is transmitted to it, unless, by affirmative vote by a majority of the authorized membership of either of the two Houses a resolution of disapproval is passed, stating in substance that that House does not favor the Reorganization Plan. Senate Resolution 147 has been submitted in the form prescribed by the act, approved by the committee, and is herewith submitted to the Senate for consideration.

BACKGROUND

Establishment of a Department of Welfare was first recommended by President Harding in 1923. President Hoover recommended establishment of a Department of Welfare in 1932, as did President Roosevelt's Committee on Administrative Management in 1937. President Truman recommended the creation of a Department in 1946, and again in 1947 and 1948.

The Federal Security Agency was established by Reorganization Plan No. 1 under the Reorganization Act of 1939. As expressed in President Roosevelt's message to the Congress, the FSA included "those agencies of the Government, the major purposes of which are to promote the social and economic security, educational opportunity and the health of the Nation." Reorganization Plan No. 2 of 1946 transferred additional activities related to welfare to FSA.

The Senate Committee on Expenditures in the Executive Departments in 1947 reported favorably S. 140 (Senators Fulbright and Taft), which would have established a Department of Health, Educa-

tion, and Security. The major difference between that bill and the present reorganization plan is that S. 140 created Under Secretaries for Health, Education, and Security, thus giving each function a degree of autonomy not provided in Reorganization Plan No. 1 of 1949 which incorporates all administrative responsibility and control of functions of all components of the proposed new Department in the Secretary of Welfare.

HEARINGS

Hearings were conducted on Reorganization Plan No. 1 on July 21, 22, 28, and 29; and August 3, 1949.

The following witnesses testified in favor of the plan:

Frank Pace, Jr., Director of the Bureau of the Budget, Washington, D. C.

Oscar R. Ewing, Federal Security Administrator, Washington, D. C.

George E. Ijams, Director, National Rehabilitation Service, Veterans of Foreign Wars, Washington, D. C.

Elizabeth Wickenden, Washington representative of the American Public Welfare Association, Washington, D. C.

Dr. Robert P. Fischelis, secretary and general manager, American Pharmaceutical Association, Washington, D. C.

Dr. George F. Zook, president, American Council on Education, Washington, D. C.

Witnesses who appeared in opposition to the plan were:

Senator J. William Fulbright, Arkansas.

Senator Lester C. Hunt, Wyoming.

Senator Robert A. Taft, Ohio.

Dr. James R. Miller, chairman, executive committee, board of trustees of the American Medical Association.

E. Harold Gale, member of the council on legislation of the American Dental Association, accompanied by Francis J. Garvey, Chicago, legislative counsel, American Dental Association.

J. J. Monfort, M. D., Batesville, Ark., councilor, Arkansas Medical Society, and practicing surgeon.

Robert Young, M. D., president, American Association of Physicians and Surgeons, Chicago, Ill.

Dr. Marjorie Shearon, editor, American Medicine and the Political Scene.

Dr. Francis F. Borzell, Philadelphia, Pa., American Medical Association.

Thirty statements on behalf of interested groups and individuals were submitted for consideration by the committee. In addition, a total of 1,498 letters, telegrams, and statements were received by the committee during the course of the hearings on the plan. Of these, 1,404 expressed opposition to the plan and 94 supported the plan.

The majority of communications in opposition were from physicians, medical societies, and individuals affiliated with the latter, almost all of whom recommended establishment of an independent Public Health Service and were in opposition to favorable action on Reorganization Plan No. 1 until consideration had been given by the Congress to the Hoover Commission's recommendation for the creation of a United Medical Administration to administer all Federal medical activities.

SUMMARY OF TESTIMONY IN SUPPORT OF PLAN NO. 1

Testimony of witnesses who endorsed Reorganization Plan No. 1 of 1949 was concentrated upon the following factors presented in favor of the plan:

1. The functions of health, education, and security now performed by the Federal Security Agency are of sufficient importance to warrant departmental status, and in the interests of the welfare of the people such recognition should be granted without further delay.

2. Plan No. 1 would accomplish this by converting the Federal Security Agency into a Department of Welfare, but would neither add to, nor detract from, nor change the statutory functions now performed by the Federal Security Agency. The plan would merely convert FSA into a Cabinet department.

3. The plan implements a cardinal recommendation of the Commission on Organization of the Executive Branch of the Government for the establishment of a Department of Welfare, which action has been urged by every President (excepting President Coolidge) since President Harding in 1923.

4. The Federal Security Administrator, under existing statutes, does not have the authority to administer his organization to obtain the most efficient operations. His present authority is only of a general supervisory nature.

5. Section 2 (b), (c) of plan No. 1 would give the new Secretary of Welfare the authority the FSA Administrator testified as being essential for efficient administration by investing in the Secretary the power to consolidate functions and, with minor reservations, to delegate functions as he deems necessary or desirable.

6. The "holding-type" organization such as the Federal Security Agency, of which the Social Security Administration, the United States Public Health Service, the Office of Education, etc., are component parts, in the past has not proved the most satisfactory to discharge those functions.

7. The "prestige" which accompanies a Cabinet officer, or a department of government, would facilitate more efficient discharge of the functions embraced by the Federal Security Agency, with attendant benefits to the people.

8. The Federal Security Agency, by size alone (35,000 employees) and by the scope, importance, and significance of its functions, deserves departmental status.

SUMMARY OF TESTIMONY IN OPPOSITION TO PLAN NO. 1

Opposition to the plan narrowed down to the following major factors, which opposing witnesses advanced as detrimental to the welfare of the Nation:

1. The plan does not conform to the recommendations of the Commission on Organization of the Executive Branch of the Government for the establishment of a Department of Welfare, primarily in that it omits the Commission's recommendation relating to consolidation of all major Federal medical facilities, including the Public Health Service, in a proposed independent United Medical Administration. (See following heading: "Divergence from Hoover Commission Report.")

2. The functions of health, and education to a lesser extent, have been "dominated" by and "subordinated" to the function of welfare by the Federal Security Agency, to the detriment of the former. The power which accompanies departmental status and the increased prestige which the Secretary of Welfare would gain would augment this existing trend toward subordination of education and health to welfare.

3. Further, the plan, by virtue of section 2, (b), (c) which vests in the Secretary of Welfare authority to consolidate and to delegate functions, with minor reservations, destroys any degree of independence, or autonomy, the Public Health Service and the Office of Education presently enjoy. The plan actually gives the Secretary of Welfare complete control over all functions of the Department, authorizing him to reorganize them, within statutory limitations, in such a manner as to give the Secretary outright domination over Administration of the health, education, and welfare activities of the Government.

4. The health of the people by any criterion is of such importance as to merit separate Cabinet recognition, or an independent administrative status. Continuation of the Federal Security Agency's policies relative to health, or extension of those policies through a Department of Welfare, would be detrimental to the best interests of the Nation's health. An estimated 4.6 percent of the Nation's population is engaged in agriculture, and there is a Department of Agriculture; 34.6 percent of the population is engaged in commerce and labor, and there are Departments of Commerce and Labor; 100 percent of the population is concerned with matters of health, but that function of government is not represented by a Cabinet office. Equal attention to health, welfare, and education cannot be expected in times of hardship when relief is of uppermost concern, and emphasis is placed upon welfare, or security, often to the detriment of health. A physician should direct Federal health activities as no one else is as well qualified technically to administer a program so closely related to the individual.

5. Elevation of the Federal Security Agency to a Department of Welfare and granting of authority to the Secretary of Welfare to organize his department as his judgment dictates is a step forward toward socialized medicine, witnesses alleging that the present Federal Security Administration's policies trend in that direction. Cabinet status would enhance the influence of the Federal Security Administrator, advance his present programs for national compulsory health insurance, and make available greatly increased propaganda powers which non-Cabinet agencies do not possess.

6. No economies could be expected to be achieved in the immediate future from conversion of the Federal Security Agency to a Department of Welfare.

In his message which accompanied Reorganization Plan No. 1, the President commented upon possible economies in the following language:

The reorganizations included in this plan will provide for greater flexibility of internal organization, clearer responsibility, and more effective administration of the functions of the new Department. The benefits in improved service and lower costs will flow from the administrative actions made possible by the plan rather than immediately from the plan itself. Over a period it is probable that substantial reductions in expenditures will result in comparison with those which

otherwise will be necessary, but it is not practicable at this time to itemize such reductions.

Mr. Ewing in direct testimony said he believed sizable economies could be effected if he were given complete control over the Public Health Service, the Office of Education, and other components of the Federal Security Agency, but was unable to specifically itemize them.

The possibility of increased expenditures by expansion of the Department of Welfare's functions once the department was established was also considered.

CONFORMANCE WITH RECOMMENDATIONS OF THE COMMISSION ON ORGANIZATION OF THE EXECUTIVE BRANCH OF THE GOVERNMENT

Reorganization Plan No. 1 conforms to recommendations of the Commission on Organization of the Executive Branch of the Government in these aspects only:

1. It establishes a Department of Welfare.
2. It provides for a Secretary of Welfare, an Under Secretary, and three Assistant Secretaries.
3. It gives the Secretary of Welfare full responsibility for his Department and permits him to reorganize the Department and to delegate functions.

DIVERGENCE FROM RECOMMENDATIONS OF THE COMMISSION ON ORGANIZATION OF THE EXECUTIVE BRANCH OF THE GOVERNMENT

Reorganization Plan No. 1 does not transfer the Public Health Service to a proposed United Medical Administration as the Hoover Commission recommended, and does not transfer the Bureau of Indian Affairs from the Department of the Interior to the proposed Department of Welfare.

Further, Reorganization Plan No. 1 does not provide for transfers of certain other functions from the Federal Security Agency to other Federal departments as recommended by the Commission on Organization of the Executive Branch, as follows: Bureau of Employees' Compensation to the Department of Labor; Employees' Compensation Appeals Board to Department of Labor; Food and Drug Administration to Department of Agriculture and to the proposed United Medical Administration.

(Reorganization Plan No. 2 of 1949, upon which a similar resolution of disapproval (Senate Resolution 151) has been reported by the Committee on Expenditures in the Executive Departments, does recommend transfer of the Bureau of Employment Security from the Federal Security Agency to the Department of Labor, as the Commission on Organization proposed in its Social Security Report.)

POSITION OF VETERANS' ORGANIZATIONS ON REORGANIZATION PLAN NO. 1

The American Legion in a resolution submitted for the record favored adoption of Plan No. 1 in preference to the recommendation of the Commission on Organization of the Executive Branch which would transfer veterans' hospital facilities to a proposed United Medical Administration. The Veterans of Foreign Wars did not comment directly on Plan No. 1, but vigorously opposed creation of a United Medical Administration, which was not part of the plan.

Comparison of Reorganization Plan No. 1 of 1949 with pending legislation which would establish a Department of Welfare

	Purpose	Functions incorporated in Department	Departmental organization
Plan No. 1-----	Changes name of Federal Security Agency to Department of Welfare. Constitutes Department executive department. Abolishes office of Federal Security Administrator, etc.	All present functions of the Federal Security Agency. (Social Security Administration, U. S. Public Health Service, Office of Education, etc.)	Creates Secretary of Welfare, salary \$15,000; Under Secretary and 3 Assistant Secretaries, salaries, \$10,330. ¹ Consolidates all functions in Secretary of Welfare. Authorizes Secretary to delegate functions excepting promulgation of regulations, as he sees fit.
S. 2060, H. R. 5175 (drafted by Hoover Commission attorney).	Establishes an executive department to be known as Department of Welfare. Abolishes Federal Security Agency and Bureau of Indian Affairs in Department of the Interior.	Transfers to Secretary of Welfare all functions of: 1. Office of Education. 2. Office of Vocational Rehabilitation. 3. Social Security Administration. 4. Functions of Federal Security Administrator, Commissioner of Education and Commissioner of Social Security in relation to 1, 2, and 3. 5. Functions of Federal Security Administrator with respect to: American Printing House for Blind, Columbia Institute for Deaf, and Howard University. (All from Federal Security Agency.) 6. Bureau of Indian Affairs from Department of the Interior.	Creates Secretary of Welfare, Under Secretary and 3 Assistant Secretaries whose salaries shall be comparable to those of other executive departments. Authorizes Secretary to direct duties of Under Secretary and Assistant Secretaries.
H. R. 782. Report No. 122 (drafted by Federal Security Agency).	Constitutes Federal Security Agency a Department of Welfare.	Vests in Secretary of Welfare "all powers, functions and duties of the Federal Security Administrator, of the Federal Security Agency" and constituent officers and units thereof and provides further (sec. 1) "The Secretary shall have the duty of fostering and promoting the general welfare of the people of the United States, in matters pertaining to their health, education, social welfare and social security * * *."	Creates Secretary of Welfare (salary that of Cabinet officer) Under Secretary (salary \$12,000) and 2 Assistant Secretaries (salary \$10,000). ¹ Authorizes Secretary to delegate functions excepting promulgation of regulations, as he sees fit.

¹ Or such other compensation as shall be provided by Congress for those respective positions

REORGANIZATION PLAN NO. 1 OF 1949 SHOULD BE DISAPPROVED

The Honorable Herbert Hoover, Chairman of the Commission on Organization of the Executive Branch of the Government, appeared before the committee on June 30, 1949, with reference to the seven reorganization plans submitted to the Congress by the President, at which time he stated that all seven plans were "steps on the road to better organization of the administrative branch. They are, insofar as they go, substantially in accord with the recommendations of the Commission on Organization of the Executive Branch of the Government."

Commenting on Plan No. 1, Mr. Hoover, however, specifically stressed the point that the Commission had also recommended that

all functions of the Federal Security Agency relating to public health be transferred to a new agency to be called the United Medical Administration, and pointed out that that Agency was yet to be constituted, stating that "under our plan the new department's functions would be limited to education and social security." He further stressed the fact that the sentiment of the majority of the Commission had crystallized to the point where it was clear that the new department was intended to incorporate only education and welfare activities.

The committee's studies of the various Hoover Commission reports have clearly indicated that there will be considerable opposition to the creation of a United Medical Administration. A bill incorporating the Commission's recommendations is pending (S. 2008) before the Committee on Labor and Public Welfare, but no determination has been made relative to the final disposition of health activities under the proposed reorganization program. Under these circumstances the committee is convinced that the proper procedure in reference to Reorganization Plan No. 1 is to withhold favorable action until the Congress has determined on a comprehensive program under which the most important phases of the entire program relating to health functions may be properly allocated.

The committee in reaching this decision has considered the evidence presented at the hearings and weighed the arguments advanced in behalf of the necessity of providing autonomous status for public health in order that it might not be subordinated to programs and functions relating primarily to welfare, and under a Secretary of Welfare.

While the committee has not unreservedly accepted the point of view expressed by many medical groups that the creation of such a department including health activities would necessarily promote socialized medicine and give impetus to the administration's compulsory health insurance program, it does feel that the matter is of such grave importance to the welfare of all the people that it is imperative that the Congress determine upon the entire program of reorganization for health, education, and welfare before any such permanent alignment as proposed under Plan No. 1 is approved.

For these reasons, the committee recommends favorable action on Senate Resolution 147 expressing disapproval by the Senate of Reorganization Plan No. 1 of 1949.



81ST CONGRESS
1ST SESSION

S. RES. 147

[Report No. 851]

IN THE SENATE OF THE UNITED STATES

JULY 29 (legislative day, JUNE 2), 1949

MR. FULBRIGHT (for himself, Mr. TAFT, and Mr. HUNT) submitted the following resolution; which was referred to the Committee on Expenditures in the Executive Departments

AUGUST 8 (legislative day, JUNE 2), 1949

Reported by Mr. McCLELLAN, without amendment

RESOLUTION

- 1 *Resolved*, That the Senate does not favor the Re-
- 2 organization Plan Numbered 1 transmitted to Congress by
- 3 the President on June 20, 1949.

81ST CONGRESS
1ST SESSION

S. RES. 147

[Report No. 851]

RESOLUTION

Disapproving Reorganization Plan Numbered 1
of 1949.

By Mr. FULBRIGHT, Mr. TAYL, and Mr. HUNT

JULY 29 (legislative day, JUNE 2), 1949

Referred to the Committee on Expenditures in the
Executive Departments

AUGUST 8 (legislative day, JUNE 2), 1949

Reported without amendment

REORGANIZATION PLAN NO. 1 OF 1949—PROVIDING FOR A DEPARTMENT OF WELFARE

AUGUST 9 (legislative day, JUNE 2), 1949.—Ordered to be printed

Mr. HUMPHREY, from the Committee on Expenditures in the Executive Departments, submitted the following

MINORITY REPORT

[To accompany S. Res. 147]

Reorganization Plan No. 1 of 1949 is the first plan submitted by the President to carry out the recommendations of the Commission on Organization of the Executive Branch of the Government, commonly known as the Hoover Commission.

Essentially, the plan does two very simple things:

1. It converts the Federal Security Agency into a Cabinet department to be known as the Department of Welfare.

2. It gives the Department of Welfare an "integrated" type of organization, as distinguished from the "holding company" structure which characterizes the Federal Security Agency.

It is essential to a proper understanding of the issue involved in consideration of Reorganization Plan No. 1 to bear in mind the relationship between this plan and the total problem of governmental reorganization. To begin with, three major facts stand out clearly:

1. Every change effected by Reorganization Plan No. 1 is in full accord with the Hoover Commission recommendations.

2. The plan does nothing contrary to any Hoover Commission recommendation.

3. The plan does not carry out all Hoover Commission recommendations affecting the Federal Security Agency, particularly those recommendations which can be effectuated only by special legislation.

RECOMMENDATIONS CARRIED OUT

It should be borne in mind also that there was unanimous agreement within the Hoover Commission itself on only two points affecting the Federal Security Agency—that the time has come when there should be a department established for the purpose of conserving and develop-

ing the human resources of the Nation, and that the Bureau of Employment Security properly belongs in the Department of Labor. Reorganization plan No. 1 of 1949 is directed to the first point, and plan No. 2 carries out the second.

In its report on social security, education, and Indian affairs, the Hoover Commission recommends the creation of a new department to include most of the activities in the Federal Security Agency which deal with education and social security, plus the Office of Indian Affairs. Plan No. 1 simply constitutes the existing Federal Security Agency a Department of Welfare, a step which is not in any sense in conflict with the Commission recommendations since it does not prejudice any proposals for transfers into or out of the Department.

Reorganization plan No. 1 not only is a long first step in carrying out the Hoover Commission's detailed recommendations regarding functions administered by the Federal Security Agency, but it also is in complete conformity with all general principles of executive management laid down by the Commission in its first report.

For instance, the Commission recommends as a primary objective of reorganization that—

The numerous agencies of the executive branch must be grouped into departments as nearly as possible by major purposes in order to give a coherent mission to each department.

This step, of course, is a prerequisite to any effective reorganization of the executive branch. It must be accomplished before the President can proceed intelligently to allocate and distribute the executive functions and activities among the various departments and agencies. This is a principal purpose of Reorganization Plan No. 1, which completes the departmental structure of the executive branch. In other words, this plan will complete the essential framework within which the purposes of the Reorganization Act of 1949 must be carried out. The "major purpose" of the Department is the preservation and development of human resources, a field of Government activity of such importance and magnitude that everyone agrees it should have departmental status.

Following this same line of reasoning, the Commission lays down the further general principle that—

Within each department, the subsidiary bureaus should also be grouped as nearly as possible according to major purposes.

This principle is already applied within the Federal Security Agency and would be carried over into the Department structure. The "major purpose" subsidiaries are, chiefly, the Public Health Service, the Office of Education, and the Social Security Administration.

As for the form of internal organization, the Hoover Commission was explicit in its opposition to the holding-company structure. It laid down the following as a general principle of executive management:

Under the President, the heads of the departments must hold full responsibility for the conduct of their departments. There must be a clear line of authority reaching down through every step of the organization, and no subordinate should have authority independent from that of his superior.

By establishing an integrated type of organization for the Department of Welfare, Reorganization Plan No. 1 conforms exactly with this basic recommendation.

RECOMMENDATIONS NOT CARRIED OUT

Four specific Hoover Commission recommendations regarding functions now performed in the Federal Security Agency, or to be transferred to it, are not effectuated by any of the first seven reorganization plans of 1949. These recommendations were as follows:

1. To transfer the Office of Indian Affairs from the Department of Interior to the Department of Welfare.

2. To transfer the Bureau of Employees' Compensation and the Employees' Compensation Appeals Board from FSA to the Department of Labor.

3. To transfer the food functions of the Food and Drug Administration to the Department of Agriculture and its drug functions to a proposed new United Medical Administration. The Food and Drug Administration, which administers the Food, Drug, and Cosmetic Act, is now a part of the Federal Security Agency.

4. To transfer the Public Health Service out of the Federal Security Agency to the proposed United Medical Administration, which would take over almost all Government hospitals, including those of the armed forces and the Veterans' Administration.

The last two recommendations, of course, cannot be effectuated until and unless the United Medical Administration is established. The first recommendation probably should not be carried out until the final disposition of the Public Health Service is determined, since health is a major factor in any approach to a solution of the over-all Indian problem.

The second proposal is not in any way involved in controversy so far as Reorganization Plan No. 1 is concerned. Both functions relate to compensation for injuries of civilian employees of the Government.

UNITED MEDICAL ADMINISTRATION

The main unresolved question, therefore, concerns the establishment of the United Medical Administration. Most of the witnesses who testified against Reorganization Plan No. 1, as well as the sponsors of Senate Resolution 147, to veto the plan, based their argument to a large extent upon the fact that the President had not submitted a plan to create the United Medical Administration and to transfer the Public Health Service to it. In fact, this was the sole basis for the allegation made by several witnesses that Reorganization Plan No. 1 is contrary to the recommendations of the Hoover Commission.

For instance, one of the sponsors of Senate Resolution 147, after noting the Commission recommended a United Medical Administration which would include the Public Health Service, said:

This report [Reorganization Plan No. 1], therefore, does not carry out the Hoover Commission recommendations. In fact, it differs substantially and fundamentally, it seems to me, from those recommendations.

Undoubtedly the best authority on the question of conformity with Hoover Commission recommendations is the Chairman of that Commission, Mr. Herbert Hoover. At the very beginning of his testimony before this committee on June 30, 1949, Mr. Hoover said:

I wish to say at once that the seven plans are all steps on the road to better organization of the administrative branch. They are, insofar as they go, substantially in accord with the recommendations of the Commission on Organization of the Executive Branch of the Government.

WOULD PLAN PRECLUDE FUTURE ACTION?

Another major contention of the sponsors of Senate Resolution 147 was that Senate approval of Reorganization Plan No. 1 would preclude any future action to establish the United Medical Administration. But the facts do not support this view.

Senator Fulbright, principal sponsor of Senate Resolution 147, after pointing out that the Federal Security Administrator is on record in opposition to the United Medical Administration proposal, had this to say:

Thus I think it clear, at least as concerns this official of the Administration, that Congress, by failing to disapprove this plan, is precluded from considering the related recommendations of the Hoover Commission.

Senator Fulbright went on to argue that the Secretary of the proposed Department of Welfare could block the creation of a United Medical Administration. “* * * in view of his proposed Cabinet status,” the Senator continued, “it would seem quite logical that his influence upon the administration would prevail.”

This contention can only be based upon a serious misconception of the President's powers under the Reorganization Act of 1949, and upon the mistaken belief that Hoover Commission recommendations can be carried out only by the President under reorganization plans.

ONLY THE CONGRESS CAN CREATE UNITED MEDICAL ADMINISTRATION

Mr. Hoover took great pains, in his testimony on June 30, to explain that many of the Commission's more important recommendations can be effectuated by the Congress alone. Specifically, only the Congress can establish the United Medical Administration.

Since misunderstanding in regard to this plain question of fact is at the core of the central disagreement on the merits of Reorganization Plan No. 1, it seems important to review Mr. Hoover's testimony on this point in some detail.

Early in his statement before the committee, Mr. Hoover said:

The difficulty with this subject [reorganization] is that the President's authority under the Reorganization Act of 1949 is very limited. In most of these seven cases [the first seven reorganization plans], the full accomplishment of reorganization as recommended by the Commission requires also extensive and specific special legislative action, one that goes beyond the President's authority under this act. Either most of the seven plans must be regarded as simply preliminary steps, or must be absorbed, now or later, in full legislation if we are to effect the efficiencies and economies sought by the Commission.

Later on, during an exchange with the chairman as to the extent of the President's authority, Mr. Hoover said:

I am informed that the Congress could not delegate to the President the right to alter statutory law. It has delegated to him authority to move bureaus and consolidate bureaus, and straighten out the rotation of administrative officials, all of which are executive functions. But, as I said before, the real problems run into greater depths than those which are entirely beyond delegation and must be dealt with in separate legislation.

The Chairman, attempting to clarify this point still further, remarked:

A great many people seem to think that all we have to do is to have Congress pass a simple resolution adopting the Hoover Commission reports, and that puts them into effect, but it is going to take, as you have emphasized here this morning, considerable legislation.

Mr. Hoover. Mr. Chairman, I think the Commission's recommendations run to somewhere between 18 and 20 special pieces of legislation. It is a long, hard road. It means a tremendous amount of committee investigation, committee hearings. It is not to be accomplished overnight.

Having made the general point, Mr. Hoover was queried specifically about the proposed United Medical Administration. Senator McCarthy expressed concern that the President had not submitted a plan to establish this agency immediately, and questioned Mr. Hoover as to whether the President had "ignored the Hoover Commission recommendation to a very great extent." Mr. Hoover replied:

I do not think the President has ignored the recommendations, because the whole problem of reorganization is so greatly interlocked. For instance, in order to carry out the Commission's recommendations, it is necessary to set up a United Medical Administration in the Government before the health functions in the Federal Security Agency can be transferred. The creation of that agency, I am advised, will require specific legislation before the President could transfer agencies to it.

Misunderstanding on this point was general among members of the committee on the first day of the hearings, as it undoubtedly has been among the general public. Another Senator, pursuing the same thought, remarked that the Hoover Commission had not recommended the inclusion of health functions in the proposed department, although they would be included under Reorganization Plan No. 1. Mr. Hoover explained again:

We recommended that a new agency, for instance, be set up, to be called the United Medical Services, that would embrace the public health and hospital services of the country. That, I am advised, could not be done without a special act of Congress. Therefore, it is no criticism of the President's plan to point out that those bureaus cannot be transferred at the present moment.

WILL THE PRESIDENT COOPERATE?

The question arises, then, as to the proper steps to be taken in order to establish that agency and carry out the Hoover Commission recommendation. In this connection, it was suggested repeatedly by various Senators on the committee that the President might not cooperate in carrying out this or other Commission proposals. Mr. Hoover's answer to this was:

I do not quite agree that there is such a difference between the President and myself. The President has been most cooperative in the whole work.

If the President were inclined not to cooperate, certainly one might assume that the Senate leadership would not take the initiative in introducing legislation prepared by the Hoover Commission's attorneys to carry out such recommendations. The fact is, however, that such a bill to establish the United Medical Administration was introduced, shortly after submission of the first seven reorganization plans, by Senator Thomas of Utah, a staunch administration supporter. It was referred to the Committee on Labor and Public Welfare, of which Senator Thomas is chairman.

MEDICAL PROFESSION SUPPORTS UNITED MEDICAL ADMINISTRATION

This fact, it seems to the minority, is the crux of the entire problem. Witnesses against Reorganization Plan No. 1 and in favor of the veto resolution, Senate Resolution 147, argued vigorously in favor of the

United Medical Administration proposal. The principal spokesman for the American Medical Association, Dr. James Raglan Miller, appeared to be seriously misinformed as to the real nature of the recommendation, as indicated by the following extract from his testimony:

At this time we urge support of the report of the Hoover Commission on this subject, which recommends an independent health agency under which will be assembled all activities concerned with health except those of the armed forces and Veterans' Administration.

Dr. Miller was misinformed. The United Medical Administration as proposed by the Hoover Commission would be, primarily, a Federal hospital administration agency which would take over both the armed forces' and the veterans' hospitals, and in which the Public Health Service would be a subsidiary unit. The minority can only assume, however, that the AMA does favor the Hoover Commission proposal, since that appears to be its official position.

Another spokesman for the medical profession, Dr. J. J. Montfort, of Batesville, Ark., was more specific in urging "that the recommendations of the Hoover Commission creating a United Medical Administration be accepted."

OPPONENTS CAME TO WRONG COURT

The minority submit that if this proposal has, in truth, the support of the organized medical profession and of the sponsors of Senate Resolution 147, they appeared in the wrong court when they took their case to the Committee on Expenditures in the Executive Departments. Rather than attempting to kill Reorganization Plan No. 1, they should expend their efforts in support of S. 2008, the bill introduced by Senator Thomas to establish the United Medical Administration. On the contrary, however, they have not made a single move in that direction.

FACTS ON PUBLIC HEALTH SERVICE

To suggest that the very first reorganization plan to carry out the Hoover Commission recommendations, and one as important as this, should be rejected until and unless the avowed advocates of the United Medical Administration choose to act upon their conviction, seems patently illogical and unreasonable. The minority know, of course, that it is based on the allegation, so often and so forcefully repeated as to be widely accepted as fact, that the Public Health Service is "dominated by" and "subordinated to" the Social Security Administration in the present set-up of the Federal Security Agency, and would be wholly "dominated by the welfare idea" if that agency were constituted a department under this plan.

The allegation, so far as the minority can learn by objective study, simply is not true.

From the standpoint of personnel, the Public Health Service is considerably larger than either of the others, with 17,000 employees as against 13,000 for the Social Security Administration. In the 9 years since its incorporation in the Federal Security Agency, the number of employees of the Public Health Service has increased 162 percent, as compared with an increase of 82.6 percent for the Social Security Administration.

From the standpoint of size and complexity of programs, the Public Health Service is far larger than either of the other two.

From the standpoint of the number of people affected by its programs, the Public Health Service is much larger than the Social Security Administration. It affects all people, while the programs of the Social Security Administration affect a minority.

From the standpoint of budget appropriations, the Public Health Service has expanded 517 percent since its transfer to the Federal Security Agency from the Treasury Department in 1939; Social Security Administration appropriations have increased in the same period 252 percent, almost all of which is in grants-in-aid for public assistance for the aged, the blind, and dependent children.

From the standpoint of program expansion and effectiveness in public-health work throughout the country, the Public Health Service has grown more in the 9 years it has been a part of the Federal Security Agency than in all its previous history.

These are facts. As for the opinions of professional men directly concerned, here is a quotation from an article by the Surgeon General, Dr. Leonard A. Scheele, printed in the June 1948 issue of the Journal of the American Pharmaceutical Association:

The people have long had Federal departments devoted to conservation of the Nation's natural resources, such as the Departments of Agriculture and the Interior. Now that they have a special agency concerned with the conservation of the Nation's human resources, all phases of the Federal Security Agency program, including the Public Health Service, can be expected to advance more rapidly.

This view is shared by the health officers of the States, who have publicly complimented the Public Health Service for the leadership and cooperative assistance it has given the States during the 10 years it has been a part of the Federal Security Agency. Following are extracts from a speech delivered on May 4, 1948, by Dr. Vlado Getting, commissioner of the Massachusetts Department of Health, in his capacity as president of the Association of State and Territorial Health Officers at a special meeting commemorating the one hundred and fiftieth anniversary of the Public Health Service:

Since the passage of the Social Security Act (when the Public Health Service was transferred to the Federal Security Agency from the Treasury Department), the intimate relationship of State and Federal services has increased. * * *

At this time, may we also extend to the Federal Security Agency, its Administrator and his staff, our deep appreciation of his understanding of the relationship which exists between the States and the Public Health Service, and may we commend to him the hope that he will further this relationship in the future, which has, in our opinion, done much to improve the health of the people of the United States.

This is still the view of the professional public-health people, as indicated by the statement filed in the record of these hearings by the American Public Health Association.

DOCTORS MISINFORMED

In the light of everything related so far, the minority cannot escape the conclusion that the doctors of America have been badly misinformed and confused as to the real issues at stake. This belief is strengthened by the fact that, aside from the sponsors of Senate Resolution 147 and one lady zealot whose reputation for unreliability is well known to many Senators, not a single person appeared before

the committee to testify against Reorganization Plan No. 1 except the spokesmen for organized medicine.

On the other hand, support for the plan had a very broad base. In addition to the Director of the Bureau of the Budget, those who testified favorably and opposed the position of organized medicine included Herbert Hoover, Chairman of the Commission on Organization of the Executive Branch of the Government; Dr. George Zook, president of the American Council on Education; Dr. R. P. Fischelis, secretary and general manager of the American Pharmaceutical Association; Elizabeth Wickenden, Washington representative of the American Public Welfare Association; and Col. George Ijams, legislative representative of the Veterans of Foreign Wars. Letters, statements, and telegrams favoring the plan and opposing the position of organized medicine were submitted by many others, representing a broad cross section of the whole American public. These included the American Public Health Association, American Federation of Labor, American Legion, Disabled American Veterans, American Parents Committee, Congress of Industrial Organizations, National Women's Trade Union League, American Veterans Committee, National Association for the Advancement of Colored People, General Federation of Women's Clubs, and the American Osteopathic Association, among others.

PLAN NO. 1 HAS BROAD SUPPORT

Considered on its merits, there is no question but that Reorganization Plan No. 1 ought to be approved and allowed to become law. It is designed to accomplish what has been proposed by virtually every President beginning with Harding; by every congressional, administrative, and nongovernmental group and commission that has studied the problem; by both major candidates for the Presidency in the most recent election; and by virtually every national civic, labor, women's, charitable, and religious organizations.

The testimony of these groups before the committee, representing a broad cross section of American opinion, is enlightening. Dr. George Zook, president of the American Council on Education and a former United States Commissioner of Education, related for the committee the results of a careful study of this question made about 2 years ago jointly by the American Council on Education and the National Social Welfare Assembly. The study was made by a joint commission of 25 persons representing the fields of education, social work, and public health. And that group, Dr. Zook said, recommended almost precisely what the President now proposes to do under Reorganization Plan No. 1.

Another prominent witness was Dr. Robert P. Fischelis, secretary and general manager of the American Pharmaceutical Association, representing the druggists of America. Among other things, he said:

There is hardly any grouping of activities into a single department which seems more logical than the one proposed. Hence, we believe that the President's approach to the problem of organizing these services is realistic.

William Green, president of the American Federation of Labor, in a letter addressed to the chairman for insertion in the record, reminded the committee:

The American Federation of Labor has always insisted that equality of opportunity in education, a high standard of health for all, and assurance of some pro-

tection against the unpredictable hazards of insecurity, were essential to the maintenance of the American system of free enterprise and free institutions
* * *

These are the objectives of the Federal Security Agency which would be administered by the proposed Department of Welfare. They are far too vital, too important to the preservation of our way of life, to relegate them any longer to a secondary rank in the Government.

Another communication of very great interest, particularly in view of the highly emotional campaign unleashed against Reorganization Plan No. 1 by the American Medical Association, came to the committee from Reginald M. Atwater, M. D., executive secretary of the American Public Health Association. This association is made up of the professional men engaged directly in public-health work at all levels of government. Among other things, he said:

The association believes that the Federal Security Agency should have department status in view of its broad scope and its character. This seems true whether it is regarded in terms of financial involvement, in terms of the numbers of persons concerned, or the importance of the functions of health, education, and welfare.

It seems appropriate to us that the agency dealing with health, education, and security at the Federal level should be thoroughly coordinated at the top because corresponding agencies at the local and State level are so generally separate and distinct. A first-rate example of coordination in the proposed Federal Department would be useful.

The association believes it sound to transfer the powers and duties of the Agency to a new department and to its secretary.

As indicated earlier, expressions of support for Reorganization Plan No. 1 reached the committee from many different groups representing almost all segments of the population. The minority believe that the wishes of the veterans alone should be accorded at least as much consideration as those of the doctors, regardless of the fact that the latter are more vocal. The position of the veterans' groups is clearly stated in a resolution adopted by the national convention of the American Legion in 1946, and quoted in a letter to the committee for insertion in the record of those hearings:

Whereas, our children's future has always been and is increasingly recognized as one of our greatest national responsibilities and obligations to posterity; and

Whereas the fundamental strength of a nation lies within its people, and the most basic and most difficult task of any country is the conservation and development of its human resources; and

Whereas the American Legion realizes that emergent, if not critical, times are now pressing in ever-increasing force upon our people, and that our great national organization of the American Legion must take steps to meet problems with which we are being confronted on the National as well as the State level: Therefore be it

Resolved, That we endorse the growing feeling that the administration of the Federal Security Agency be raised to Cabinet rank; and be it further

Resolved, That we here record our firm conviction that only through such action will the best interests of veterans' children and of all children of this Nation be effectively guaranteed at this time in our history when our future lies so clearly in the hands of the oncoming generation.

TAFT PLAN WOULD VIOLATE BASIC HOOVER RECOMMENDATIONS

A principal objective of the Congress in establishing the Hoover Commission and of the President in submitting plans to carry out its recommendations is efficiency and economy in Government. By the same token, this is one of the principal objectives of Reorganization Plan No. 1, and this is one of the chief advantages to be gained by following the Hoover Commission's strong recommendation that departments be organized along integrated lines.

The criticism of Reorganization Plan No. 1, therefore, on the ground that it does establish an integrated type of organization for the Department of Welfare is clearly in conflict with the intention of the Congress and the recommendations of the Hoover Commission.

Senators Taft and Fulbright argued that the Department should have been established along the lines of a bill introduced by them in the Eightieth Congress, S. 140. Whatever else it might accomplish, however, S. 140 would violate virtually all of the basic principles of executive management as laid down in the first report of the Hoover Commission. It would place each of the functions of health, education, and security under the direct control of a politically appointed Under Secretary assigned by law to that particular function. Thus it would degrade the status of the Surgeon General, the Commissioner of Education, and the Commissioner of Social Security, all of whom, under the type of organization proposed in Reorganization Plan No. 1, would be professional career officials, just as they are today in the Federal Security Agency.

It should be pointed out also that it was this committee which deliberately revised the Reorganization Act of 1949 in order to permit the President to establish executive departments by reorganization plan. In doing so, it was quite clear that the committee intended that the President should use this method for the creation of a Department of Welfare, rather than requesting the passage of legislation for that purpose.

It should be remembered that at the time this action was taken by the committee, a bill to create this Department had already been reported favorably by the House Committee on Expenditures in the Executive Departments, and had been given a rule for debate on the floor of the House.

Immediately before the debate was scheduled, however, the Senate amended the previously passed House bill on reorganization so as to give the President power to create executive departments by reorganization plan. Action on the House bill to create a Department of Welfare by legislation, H. R. 782, was therefore canceled, and the Senate position on this point later prevailed in conference.

COMMITTEE'S INTENTIONS CLEAR

In its report on the Reorganization Act, S. 526, this committee made special mention of the Federal Security Agency in this connection. It said (bottom p. 7):

Subparagraphs (1) and (2)—Creation of new departments.—The bill deletes the prohibitions contained in subparagraphs (1) and (2) of the 1945 act against creation of new executive departments by reorganization plan. At least one agency—the Federal Security Agency—has been established by plan which obviously is of departmental magnitude and importance and should have been designated as an executive department. No good purpose has been served by the old prohibition.

The intention of this committee, particularly in view of the surrounding circumstances and the clear understanding among the members of the committee at that time, was beyond question. The committee clearly intended that the President submit a reorganization plan to constitute the Federal Security Agency a department with Cabinet status.

It is equally clear that the committee intended that the recommendations of the Hoover Commission be followed as nearly as practicable, certainly that they be given very great weight.

In the light of this, it seems highly inconsistent for the same committee to reject the plan submitted by the President precisely because it does not violate the Hoover Commission recommendations by establishing a loose holding-company type of departmental organization.

The name of the proposed Department appears to have been a cause of some concern on the part of the opponents of Reorganization Plan No. 1, and even on the part of some of its supporters. Certainly the word "welfare" has acquired an unfortunate popular connotation, associated with relief activities. However, no better name has been suggested, and there are several very good reasons for its adoption.

WHY THE NAME "WELFARE"?

"Welfare" is the name commonly used in deliberations of the Hoover Commission itself with reference to the proposed Department. It is the name given to the Department in bills introduced by Senator McCarthy and Representative Hoffman and drawn up by counsel for the Hoover Commission in line with its reports on social security, education, and Indian affairs.

In its proper sense, the word "welfare" more accurately reflects the general purposes of the proposed department than any other name that has been suggested. Webster's Unabridged Dictionary defines the word as meaning—

State of faring, or doing well; especially condition of health, prosperity, etc.; negatively, exemption from evil or calamity.

That definition almost precisely fits the major purpose of the proposed Department. "Welfare" is the only name which, in its proper definition, embraces all of the functions of the Government dealing with the conservation and development of human resources through programs designed to promote the well-being of individuals.

Finally, and perhaps most important, "Welfare" is the only name proposed with a definition sufficiently flexible as not to constitute in any way a prejudgment of the question of what, eventually, should be left in or taken out of the Department.

Thus, the very name of the Department was chosen so as to avoid freezing any function within it. Certainly, if future action to transfer functions out of the Department could be interpreted as being precluded simply because they are not transferred immediately, the name "Department of Health, Education, and Security," as proposed by Senators Taft and Fulbright, would lend weight to that view.

CONGRESS FREE TO ACT

Whether the Public Health Service is to remain in the proposed new department depends, as we have seen, upon the action of the Congress. It could be removed, quite easily, by any one of three principal means:

1. By passage of S. 2008, to establish a United Medical Administration, as recommended by the Hoover Commission.

2. By the establishment, through legislation or by reorganization plan, of a separate Department of Health.

3. By the establishment of a separate health agency made up of the Public Health Service alone or in conjunction with any other functions the Congress might choose to combine with it.

The freedom of action of the Congress in this regard is completely unrestricted and is not affected in any way by the Reorganization Act of 1949.

It should be pointed out, however, that the United Medical Administration is one recommendation of the Hoover Commission which would require very careful study. It was endorsed in its entirety by only 4 of the 12 members of the Hoover Commission itself. It has been publicly and strongly opposed by all of the veterans' organizations. The minority seriously question whether the American Medical Association or the sponsors of Senate Resolution 147 would favor it after careful study.

It is entirely possible that a separate health agency or department will seem at some time in the future, and perhaps in the near future, to be highly desirable. If so, nothing will prevent its establishment by the Congress or by the President under reorganization plan.

The fact should not be overlooked, however, that the only opposition to the inclusion of health functions along with education and social-security functions in the same department has come from the private physicians and dentists, while this grouping is strongly supported by those best acquainted with the problems of public health, education, and social security. The minority take no position on this issue one way or the other, but feel impelled to point out that, like most important issues, it has two sides. And in this particular case, by far the greater weight of opinion, if not of telegrams, is on the side of keeping these three functions together.

Certainly, whatever is done by the Government in any or all of these fields should be done with the welfare of individuals in mind, not to glorify or extend the power of any professional group.

It is clear that the well-being of the individual is indivisible. His ability to obtain suitable employment and maintain an acceptable standard of living is dependent upon his educational opportunities, and these are determined or limited by the state of his health and the economic status of his family. His physical and mental health are invariably affected in some degree by economic security or insecurity. Any program of vocational rehabilitation depends not only upon the repair of the individual's physical disabilities, but equally upon the economic security of his family and upon his own reeducation for a job which fits his capacities.

The activities included in the functional fields of the Federal Security Agency are interwoven at almost every point. For example, school health activities are of concern to the Office of Education, Public Health Service, and the Children's Bureau of the Social Security Administration. Child-care programs are of interest to these three agencies and also to the Bureau of Public Assistance. Medical care of the needy is a matter of importance to the Public Health Service, Bureau of Public Assistance, and the Children's Bureau. The problem of old-age security cannot be divorced from related problems of medical research or hospital expansion. Education cannot be dealt with apart from the factors which keep our school

children strong and healthy. The question of disability insurance cannot be examined intelligently without consideration of the whole problem of the care and treatment of chronic invalids.

Whatever is to be the ultimate disposition of the Public Health Service or the fate of the United Medical Administration, no one suggests, so far as the minority are aware, that the Federal Security Agency should not be made a department with Cabinet status.

Probably the strongest evidence that this step is overdue is the very fact that the Hoover Commission recommended it, even though it proposed that the health function be taken away.

HEALTH INSURANCE IS NOT THE ISSUE

The minority feel that the Senate is now faced with a clear-cut issue of the first importance. What it boils down to is whether a special-interest group representing fewer individuals than live in Syracuse, N. Y., can induce the Senate of the United States, through a confused and emotional campaign of propaganda, to negate all the effort and study of the Congress, the Hoover Commission, and the President in laying the groundwork for effective governmental reorganization.

Organized medicine, spending more money, by its own admission, than any other lobby operating in Washington, has attempted by every means to give the impression that the issue here is health insurance or "socialized medicine," as the propaganda phrase would have it.

But that is not the issue. Health insurance has nothing remotely to do with the question of approval or disapproval of Reorganization Plan No. 1. Whether the Senate approves or rejects that plan, health insurance will not be advanced, retarded, or affected in any way. After all, the President himself is the principal advocate of health insurance. To suggest that the prestige of the White House will be increased or lessened by Senate action on this resolution is preposterous.

Organized medicine also has attempted, by every device of misrepresentation and innuendo, to suggest that the present Federal Security Administrator, Mr. Osear Ewing, is the issue here because of his advocacy of health insurance. They seriously urge that the Senate reject Reorganization Plan No. 1 of 1949 because he might become Secretary of Welfare.

In the minority's opinion, this campaign is misleading and confusing. No individual is or should be the issue. What is to be determined is a major question of organization, the establishment of a great Department of the United States Government which will live long after all of us are gone. To permit the emotional feelings of one small group of professionals who object to one individual's advocacy of one proposal to affect the judgment of the Senate on a question of such importance would be tragic.

The issue is simply this:

Are we to have reorganization of the Government, or not?

Are we to support the Hoover Commission, or not?

If the first plan of reorganization, in full accord with the Hoover Commission recommendations, is killed because of the opposition of one lobby on behalf of a small group that is not even affected by it except in imagination, then we shall have offered proof that a democratic government cannot order its own affairs effectively.

This is the test.

HUBERT H. HUMPHREY.

Calendar No. 855

81ST CONGRESS }
1st Session }

SENATE

{ REPT. 851
{ Part 3

REORGANIZATION PLAN NO. 1 OF 1949 PROVIDING FOR A DEPARTMENT OF WELFARE

AUGUST 11 (legislative day, JUNE 2), 1949.—Ordered to be printed

Mrs. SMITH of Maine, from the Committee on Expenditures in the
Executive Departments, submitted the following

INDIVIDUAL VIEWS

[To accompany S. Res. 147]

I am in substantial agreement with the minority report of Senator Humphrey. However, I would summarize my conclusions less eloquently and more briefly by observing that (1) the plan follows the Hoover Commission recommendations as far as it goes; (2) the issue is not socialized medicine as some would have us believe—were this true I would oppose the plan because I am opposed to socialized medicine; (3) the issue is not one of personalities but rather one of principle—the plan itself is more important than Mr. Oscar Ewing or any other individual; and (4) perfection and unanimous agreement will never be obtained at the outset on any plan of reorganization—but lack of perfection and unanimity should not be permitted to prevent a start on improvement and this plan is definitely a start on improvement.

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WASHINGTON, TUESDAY, AUGUST 16, 1949

No. 149

Senate

(Legislative day of Thursday, June 2, 1949)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Rev. Robert N. DuBose, D. D., of the Association of American Colleges, Washington, D. C., offered the following prayer:

Most gracious God and Father, in whom dwelleth all fullness of light and wisdom, enlighten our minds, we beseech Thee, by Thy holy spirit, in the true understanding of Thy word. May we put our whole trust in Thee only, and so serve and honor Thee that all our lives may glorify Thy holy name and be profitable unto Thee.

We beseech Thee to bless all who give themselves to the service of their country and their fellow men. Endue them with wisdom, patience, and courage to strengthen this Nation as a great nation in every way. May we ever be conscious of our duties and obligations to the suffering, friendless, and needy.

Be with our country in its decisions of this day. May these United States of America contribute substantially toward bringing unity to God's people. May we make no peace with oppression, and may we reverently use our freedom and power. Help us to employ it in the maintenance of justice among men and nations.

Thou, O Lord, knowest the petitions of our hearts. Hear us we pray. Lighten our darkness, we beseech Thee, O Lord, and by Thy great mercy defend us from all perils and dangers for the love of Thy only Son. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Monday, August 15, 1949, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed the following bills of the Senate, each with an amendment, in which it requested the concurrence of the Senate:

S. 259. An act to discontinue divisions of the court in the district of Kansas; and
S. 974. An act to amend the Veterans' Preference Act of 1944 with respect to certain mothers of veterans.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 210. An act to authorize the conveyance of a portion of the United States military reservation at Fort Schuyler, N. Y., to the State of New York for use as a maritime school, and for other purposes;

H. R. 829. An act to authorize the Secretary of Agriculture to accept buildings and improvements constructed and affected by the Buffalo Rapids Farms Association on project lands in the Buffalo Rapids water conservation and utilization project and canceling certain indebtedness of the association, and for other purposes;

H. R. 2015. An act to authorize the Secretary of Agriculture to convey and exchange certain lands and improvements in Grand Rapids, Minn., for lands in the State of Minnesota, and for other purposes;

H. R. 2166. An act to amend title 28, United States Code, section 456, so as to increase to \$15 per day the limit on subsistence expenses allowed to justices and judges while attending court or transacting official business at places other than their official station, and to authorize reimbursement for such travel by privately owned automobiles at a rate of not exceeding 7 cents per mile;

H. R. 2734. An act to amend an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914 (38 Stat. 730), as amended;

H. R. 4069. An act to reserve certain land on the public domain in Nevada for addition to the Summit Lake Indian Reservation;

H. R. 4090. An act to extend the benefits of section 23 of the Bankhead-Jones Act to Puerto Rico;

H. R. 4231. An act to reserve certain land on the public domain in Utah for addition to the Goshute Indian Reservation;

H. R. 4509. An act to amend the act of February 25, 1920 (41 Stat. 452), and for other purposes;

H. R. 4692. An act to provide for the extension of the term of certain patents of persons who served in the military or naval forces of the United States during World War II;

H. R. 5097. An act for the administration of Indian livestock loans, and for other purposes;

H. R. 5098. An act to authorize the leasing of restricted Indian lands for public, religious, educational, recreational, business, and other purposes requiring the grant of long-term leases;

H. R. 5232. An act to amend the Road Act of May 26, 1928 (45 Stat. 750), authorizing appropriations for roads on Indian reservations;

H. R. 5390. An act to authorize the Secretary of the Interior to exchange certain Navajo tribal Indian land for certain Utah State land;

H. R. 5489. An act to ratify and confirm Act 251 of the Session Laws of Hawaii, 1949;

H. R. 5512. An act to amend section 13 of the Federal Farm Loan Act, as amended;

H. R. 5556. An act to make available for Indian use certain surplus property at the Wingate Ordnance Depot, N. Mex.;

H. R. 5601. An act to authorize the exchange of certain lands of the United States situated in Iosco County, Mich., for lands within the national forests of Michigan, and for other purposes;

H. R. 5620. An act permitting the use, for public purposes, of certain land in Hot Springs, N. Mex.;

H. R. 5670. An act authorizing transfer of land to the county of Bernalillo, State of New Mexico, for a hospital site;

H. R. 5679. An act to authorize the transfer of certain agricultural dry land and irrigation field stations to the States in which such stations are located, and for other purposes;

H. R. 5731. An act to discharge a fiduciary obligation to Iran;

H. R. 5764. An act to authorize the granting to the city of Los Angeles, Calif., of rights-of-way on, over, under, through, and across certain public lands;

H. R. 5839. An act to facilitate and simplify the work of the Forest Service, and for other purposes; and

H. J. Res. 230. Joint resolution authorizing the Secretary of the Navy to construct and the President of the United States to present to the people of St. Lawrence, Newfoundland, on behalf of the people of the United States, a hospital or dispensary for heroic services to the officers and men of the United States Navy.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 3417. An act to amend the act entitled "An act to provide for cooperation by the Smithsonian Institution with State, educational, and scientific organizations in the United States for continuing ethnological researches on the American Indians," approved April 10, 1928, and for other purposes; and

H. R. 3825. An act to amend the Federal Crop Insurance Act.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hendrickson	Millikin
Anderson	Hickenlooper	Morse
Baldwin	Hill	Mundt
Brewster	Hoey	Murray
Bricker	Holland	Myers
Bridges	Humphrey	Neely
Butler	Hunt	O'Connor
Byrd	Ives	O'Mahoney
Cain	Jenner	Pepper
Capehart	Johnson, Colo.	Robertson
Chapman	Johnson, Tex.	Russell
Chavez	Johnston, S. C.	Saltonstall
Connally	Kefauver	Schoeppel
Cordon	Kem	Smith, Maine
Donnell	Kerr	Smith, N. J.
Douglass	Knigore	Sparkman
Downey	Knowland	Stennis
Dulles	Langer	Taft
Eastland	Lodge	Taylor
Ecton	Long	Thomas, Okla.
Ellender	Lucas	Thomas, Utah
Ferguson	McCarran	Thye
Flanders	McCarthy	Tydings
Frear	McClellan	Vandenberg
Fulbright	McFarland	Watkins
George	McKellar	Wherry
Gillette	Magnuson	Wiley
Graham	Malone	Williams
Green	Martin	Withers
Gurney	Maybank	Young
Hayden	Miller	

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. REED] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent.

The VICE PRESIDENT. A quorum is present.

COMMITTEE MEETINGS DURING SENATE SESSIONS

On request of Mr. LUCAS, and by unanimous consent, a subcommittee of the Committee on Banking and Currency, and the Committee on Interior and Insular Affairs were authorized to hold hearings during sessions of the Senate.

REORGANIZATION PLAN NO. 1 OF 1949—DEPARTMENT OF WELFARE

Mr. LUCAS. Mr. President, yesterday we discussed Senate Resolution 147. Some time ago I gave notice that on the convening of the Senate today we would proceed to the consideration of Senate Resolution 147.

I have discussed the question of limitation of debate with the distinguished Senator from Arkansas [Mr. McCLELLAN], chairman of the Committee on Expenditures in the Executive Departments, and the Senator from Nebraska [Mr. WHERRY], the distinguished minority leader. We have more or less agreed upon a time for limitation of debate. I hope that other Senators on both sides of the aisle will cooperate with us. I am now about to make a unanimous-consent request.

I ask unanimous consent that at the hour 6 p. m. today the Senate proceed to vote without further debate upon Senate Resolution 147 disapproving Reorganization Plan No. 1, the time to be controlled by the Senator from Arkansas [Mr. McCLELLAN] for the resolution, and the Senator from Minnesota [Mr. HUMPHREY] against the resolution.

The VICE PRESIDENT. Is there objection?

Mr. WHERRY. Mr. President, reserving the right to object, I should like to ask two questions.

First, is it the intention of the distinguished majority leader to take a recess until tomorrow after the vote has been taken?

Mr. LUCAS. The Senator is correct.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. As I understand, no amendment can be offered to the resolution. Is that correct?

The VICE PRESIDENT. That is correct.

Mr. WHERRY. So the vote will be on the resolution at 6 o'clock.

The VICE PRESIDENT. It will be voted either up or down.

Mr. LODGE. Mr. President, I should like to make a statement on this subject, of not more than 10 minutes in length. I should like to know whether the allocation of time is still sufficiently fluid so that it will be possible for me to have that much time, or whether all the time has been bespoken.

Mr. WHERRY. Mr. President, I can assure the distinguished Senator from Massachusetts that there will be plenty of time for him; and I think there will be plenty of time for other Senators who wish to discuss the plan.

Mr. IVES. Mr. President, reserving the right to object, I did not quite hear the colloquy which took place in the midfloor section of the Chamber. Probably the question I am about to ask has already been answered.

Am I to understand that immediately following the vote at 6 o'clock on the resolution relating to Reorganization Plan No. 1 we are to continue during the evening with the resolution relating to Reorganization Plan No. 2?

Mr. LUCAS. No. We will take a recess until tomorrow.

Mr. IVES. And continue tomorrow with Reorganization Plan No. 2?

Mr. LUCAS. That is correct. I am hopeful that we can make a similar arrangement tomorrow with regard to Reorganization Plan No. 2. I have been told that possibly we can do so. However, I shall not submit a unanimous-consent request in that connection at this time.

Mr. LANGER. Mr. President, reserving the right to object, I objected the other day to unanimous consent because at that time I was worried for fear we would not get an opportunity to vote on the matter of telephones for the farmers. This morning the distinguished Senator from Oklahoma [Mr. THOMAS], chairman of the Committee on Agriculture and Forestry, advises me that that bill will be reported very soon, and that we shall have an opportunity to vote on it. I wish to thank the Senator from Oklahoma publicly, and to say that I have no objection to the unanimous-consent request.

The VICE PRESIDENT. Is there objection to the request of the Senator from Illinois [Mr. LUCAS]?

Mr. McCLELLAN. Mr. President, reserving the right to object, I should like to make a brief announcement pertaining to another plan, if I may, before we start this debate.

The VICE PRESIDENT. The resolution is not yet officially and technically before the Senate, and will not be unless this request is agreed to or a motion is made.

Is there objection to the request of the Senator from Illinois [Mr. LUCAS]? The Chair hears none, and it is so ordered.

The Chair makes the observation that the agreement to the unanimous-consent request technically brings the resolution before the Senate. Otherwise it would have to be done by motion.

Mr. LUCAS. I thank the Chair for that observation.

The Senate proceeded to the consideration of the resolution (S. Res. 147) disapproving Reorganization Plan No. 1 of 1949.

The VICE PRESIDENT. Time is now running, to be divided equally.

Mr. McCLELLAN. Mr. President, before I begin the discussion of the resolution, I wish to announce to other Senators that yesterday the senior Senator from Arizona [Mr. HAYDEN] submitted a resolution of disapproval with respect to Reorganization Plan No. 7, which would transfer the Public Roads Administration to the Department of Commerce. Because of legal technicalities and complications which are involved, which the resolution sets forth, the Committee on Expenditures in the Executive Departments, to which that resolution was referred, feels that there is not sufficient time to hold hearings on it, because the time for affirmative action on the resolution will expire Thursday night. Therefore I am undertaking today to have the committee authorize me to report it back to the Senate immediately without recommendation. That will give the Senate the opportunity to discuss it. The legal problems which are involved may be considered, and the Senate can exercise its judgment without recommendation from the committee.

The creation of a Department or of separate departments to administer Federal functions in the fields of health, education, and welfare has long been considered by the Congress. Proposals, beginning with the administration of President Harding in 1923, and continuing up to the time when the pending Reorganization Plan No. 1 of 1949 was presented to the Congress on June 20, have been presented for the establishment of a Welfare Department. In 1932, former President Herbert Hoover recommended the establishment of a Department of Welfare. This was followed by President Roosevelt's Committee on Administrative Management, which in 1937, recommended that such a department be established.

The first major step in this direction was accomplished under Reorganization Plan No. 1 of 1939, which created the Federal Security Agency, into which were incorporated certain activities of the Government pertaining to health, education, and welfare. However, each of these functions retained largely an autonomous status under the general supervision of the Federal Security Administrator. Beginning in 1946, President Truman has repeatedly recommended the establishment of a Department of Wel-

fare, and various bills having this objective in view have been introduced and considered by Congress. The latest of these proposals is Reorganization Plan No. 1 of 1949, which the pending resolution—Senate Resolution 147—disapproves.

The Senate Committee on Expenditures in the Executive Departments in the Eightieth Congress reported favorably Senate bill 140, introduced by the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Ohio [Mr. TAFT], joint sponsors of the pending resolution of disapproval, which would have established a Department of Health, Education, and Security, embracing all the functions now administered by the Federal Security Agency. There is, however, an important fundamental difference between that bill and the present Reorganization Plan No. 1. Senate bill 140 would have retained an autonomous or independent status for each major function of health, education, and welfare. To accomplish this, the bill provided for Under Secretaries of Health, Education, and Welfare, each to have complete jurisdiction over those important functions, and created special bureaus to which the related services would be assigned under the respective Under Secretaries. Reorganization Plan No. 1 of 1949 would vest all functions and complete administrative responsibility in the Secretary of Welfare, with no recognition whatsoever for the autonomy and independence of each activity.

The Senate Committee on Expenditures in the Executive Departments held hearings on Reorganization Plan No. 1 from July 24 to August 3. This committee had conducted lengthy hearings upon the identical issue during the Eightieth Congress.

Incidentally, when the committee was considering Senate bill 140 in the Eightieth Congress, there was also pending before the committee another bill which embraced practically the same plan that is involved in Reorganization Plan No. 1. The committee had both bills under consideration, and reported Senate bill 140, which differs as I have set forth.

As I just said, the committee had conducted lengthy hearings upon the identical issue during the Eightieth Congress, but all persons interested in the matter were again given full opportunity to reiterate their position, and to express their views in favor of or against the plan. In all, 15 witnesses submitted direct testimony, of which the Director of the Budget, the Federal Security Administrator, and the Veterans of Foreign Wars, among others, favored the plan, and 9, including the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Wyoming [Mr. HUNT], the Senator from Ohio [Mr. TAFT], cosponsors of Senate Resolution 147, and the American Medical Association, opposed the plan. In addition, a total of some 1,768 letters, telegrams, and statements received by the Committee were analyzed during the course of the hearings, some of the most pertinent of which were incorporated in the RECORD. Of the communications received, roughly 1,594 were in opposition to the plan and approximately 174 sup-

ported it, most of the opposition coming from doctors and medical groups.

Reorganization Plan No. 1 does not conform to the recommendations of the Commission on Organization of the Executive Branch of the Government, although the Commission did recommend the establishment of a Department of Welfare. The plan is directly contrary to the Hoover Commission's primary recommendation that the United States Public Health Service, a major component of the present Federal Security Agency, be transferred into a proposed United Medical Administration into which would be consolidated all major Federal activities in the field of national health. This cardinal recommendation of the Hoover Commission, which has the unreserved support of former President Herbert Hoover, is omitted from the plan. Proposed legislation drafted by the Hoover Commission, Senate bill 2008, to establish a United Medical Administration, has been introduced in the Senate by the Senator from Utah [Mr. THOMAS] and now is pending before the Committee on Labor and Public Welfare. Reorganization Plan No. 1 also omits the Commission's recommendations which propose the transfer of the Bureau of Employees' Compensation and the Employees' Compensation Appeals Board from the Federal Security Agency to the Department of Labor, and the transfer of the Food and Drug Administration from the Federal Security Agency to the Department of Agriculture.

Mr. LUCAS. Mr. President, will the Senator yield at this point?

Mr. McCLELLAN. I yield.

Mr. LUCAS. I wish to ask a question. Is it the view of the Senator from Arkansas that the adoption of Reorganization Plan 1 would preclude the Congress from enacting Senate bill 2008, which is before the Committee on Labor and Public Welfare?

Mr. McCLELLAN. Of course, Congress cannot be precluded from acting on any proposed legislation upon which it wishes to act. That is correct theoretically. But in practice, it certainly would be more difficult for the Congress to enact a law transferring from the new department one of its vital component functions, to the transfer of which the head of that department had announced his opposition.

Mr. LUCAS. The Senator from Arkansas will agree with me, will he not, that Senate bill 2008 would create an independent agency to administer public health?

Mr. McCLELLAN. It would. That bill was introduced in line with the Hoover Commission's recommendation.

Furthermore, plan No. 1 gives no consideration to the transfer of the Bureau of Indian Affairs from its present location in the Department of the Interior to the proposed Department of Welfare, as the Hoover Commission recommended, or the transfer of the Employees Compensation Appeals Board from the Federal Security Agency to the Department of Labor.

Mr. Hoover testified before the committee on June 30, 1949, that the seven reorganization plans submitted to the

Congress by the President were "steps on the road to better organization of the administrative branch," and that, "insofar as they go," they are substantially in accord with recommendations of the Commission on Organization which he headed.

But, in commenting on plan No. 1, Mr. Hoover specifically emphasized that the Commission had also recommended that all functions of the Federal Security Agency relating to public health be transferred to a proposed United Medical Administration, stating that "under our plan the new department's functions would be limited to education and security." He made it clear that the new Department of Welfare was intended to incorporate only education and welfare activities. As previously pointed out, a bill which would incorporate the Commission's recommendations concerning medical activities is before the Senate Committee on Labor and Public Welfare.

It is contended that creation of the proposed United Medical Administration could not be accomplished by a reorganization plan, but would require a special act of Congress. In connection with this, it must be borne in mind that the Bureau of the Budget in its analysis of the methods of effectuating the Hoover Commission reports, made earlier in this session of Congress, clearly stated that the transfers necessary to incorporate Federal medical activities into an independent United Medical Administration could be effectuated by reorganization plan. If the President can, under provisions of the Reorganization Act of 1949, establish a new Department of Government, such as a Department of Welfare, by reorganization plan it follows I believe that he can transfer already existing functions and consolidate them into an independent administration under statutory limitations as the proposed United Medical Administration, so long as he limits such plan to transfer of existing units, and does not undertake to create new functions.

In brief, Reorganization Plan No. 1 would establish a "Department of Welfare, but not in accordance with the recommendations of the Hoover Commission. It does provide for a Secretary of Welfare, with complete administrative authority over the components of the Department, vests in him power to consolidate the Department's functions, and permits him to delegate such functions at his discretion.

The vesting of this unlimited power in the hands of one man to reorganize those important functions which are of such vital significance to the health, education, and security of every citizen, raises the point upon which most serious opposition to the plan has centered. Section 2 (b) (c) of Reorganization Plan No. 1, which vests in the Secretary of Welfare authority to consolidate and delegate functions as he sees fit, not only destroys the existing autonomy and independence of public health and education, but grants to the Secretary of Welfare such complete control as to give him domination over the administration of those functions, and in the opinion of the majority of the committee would subordinate

health and education to welfare under a Secretary of Welfare.

In view of present definite trends of the Government and of certain elements in it in the direction of socialized public health and federally controlled education, action by the Congress on this plan is one of momentous decision. There can be little doubt as to ultimate objective of the Federal Security Agency's policies toward the establishment of a national compulsory health insurance program, which, in my judgment, is a long step toward socialized medicine. There is also little question that the elevation of the Federal Security Agency to departmental status on the basis proposed by Reorganization Plan No. 1, including the Public Health Department, would lend impetus to and greatly augment efforts of high Government officials to force acceptance of this program through the prestige and power of a Cabinet office. Witnesses appearing before the committee in opposition to the plan repeatedly contended that such a step would greatly weigh the scales in favor of the promulgation of those policies. They further maintained that Cabinet status would enhance the influence of the Federal Security Administrator if elevated to Secretary of Welfare. Thus, he would be far more effective in his advocacy of socialized medicine.

The health of the people is of great importance to the Congress and to the Nation. This is as it should be, but neither programs of compulsion nor of subordination will properly safeguard the health of our people. The tendency of the past decade to subordinate health to security cannot but be detrimental to the general welfare of the Nation. Experience has proven that in times of depression equal attention to health, welfare, and education cannot be expected when relief is of uppermost concern, with emphasis placed upon security. There must be a large degree of independence given to the proper functions of Federal components having jurisdiction over health and education. This, undoubtedly, is a major factor in the Hoover Commission's decision that public health should be an independent function. It obviously would lose any degree of independence it now possesses if Reorganization Plan No. 1 is permitted to become law.

Aside from the revolutionary policy changes incorporated in Plan No. 1, no reasonable expectation of economies can be visualized from the conversion of the Federal Security Agency to a Department of Welfare, nor has any concrete proof been presented that greater efficiency will be achieved in the administration of the various functions involved. The President, in transmitting Reorganization Plan No. 1, stated that over a period "it is probable that substantial reductions in expenditures will result * * * but it is not practicable at this time to itemize such reductions." On the contrary, there is greater probability that increased expenditures will result. Certainly in considering the past history of the Federal Security Agency and the President's advocacy of

a generally expanded social-security program, which he has already presented to the Congress, we have a yardstick pointing toward that end.

The present Federal Security Administrator, Mr. Oscar Ewing, testified he had already accomplished certain savings in administration of the Federal Security Agency, and predicted that he could make further savings, provided he were given the powers Reorganization Plan No. 1 would confer upon him as Secretary of Welfare. In response to questions addressed to him by members of the Committee on Expenditures, however, he could give no examples of expected economies except to reaffirm that he was confident he could effectuate them.

It was the conviction of a majority of the members of the Committee on Expenditures in the Executive Departments that the Senate should withhold favorable action upon the plan and adopt the pending resolution of disapproval, until the Congress has had further opportunity to weigh carefully these serious problems which so vitally affect Federal relations with the health, education, and security of all the States, and with all citizens of the Nation.

In reaching this decision the committee carefully considered the evidence presented at the hearings, weighed the arguments advanced by both proponents and opponents of the proposal, and gave full consideration to the recommendations of the Commission on Organization of the Executive Branch of the Government.

The majority's conclusion was based on three primary considerations which may be briefly stated, as follows:

First. Reorganization Plan No. 1 of 1949 does not conform to the recommendation of the Hoover Commission. It omits important aspects of the over-all program covering the reorganization of Federal activities in the fields of health, education, and welfare;

Second. It establishes, by vesting complete control in the Secretary of Welfare, a Federal department dominated by welfare objectives, destroying the independence of functionary units in the fields of health and education, and subordinating them to the domination of welfare programs; and

Third. It would tend to build up rather than remove bureaucratic controls over State activities, while effecting no economies in Government.

Although the committee accepted with reservations the point of view expressed by many medical groups that the creation of a Department of Welfare, including health activities, would necessarily promote socialized medicine by giving impetus to the administration's compulsory health insurance program, the majority of its members do feel that this issue is of such grave importance to the welfare of the people that it is imperative that the Congress deliberate thoroughly upon the entire problem of reorganization of all Federal health, education, and welfare activities, and upon all aspects and implications of the proposed program before any such permanent alinement of authority is delegated as is

proposed by Reorganization Plan No. 1 if approved. Affirmative action should, therefore, be withheld until the Congress has fully determined upon the merits of all related Hoover Commission recommendations in the fields of activity involved and has formulated an adequate and complete program of reorganization which would eliminate existing objections to the pending proposal.

For these reasons the Senate Committee on Expenditures recommended favorable action on Senate Resolution 147, which expresses disapproval by the Senate of Reorganization Plan No. 1 of 1949.

Mr. President, I have briefly covered the history of this proposed reorganization and have given the Senate the views which brought a majority of the committee to the conclusion that it should recommend to the Senate that the resolution be adopted and Reorganization Plan No. 1 be rejected.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. TAFT. Do I correctly understand that there is now pending in the committee a bill covering the whole field in the manner in which the committee thinks it should be covered?

Mr. McCLELLAN. As to health, that is correct.

Mr. TAFT. Is there not also a plan for a department along the lines of the Fulbright bill?

Mr. McCLELLAN. There is a bill similar to the one the Senator sponsored last year. There has been introduced recently a bill which is now before the Committee on Expenditures in the Executive Departments, and another one dealing with the health aspect of it in accordance with the Hoover Commission's recommendations.

Mr. HUMPHREY. Mr. President, as a member of the Committee on Expenditures in the Executive Departments I took the privilege of submitting to the Senate a minority report to accompany Senate Resolution 147. This minority report outlined the point of view of those of us who believe in Reorganization Plan No. 1 and who reject the resolution sponsored by the majority, Senate Resolution 147.

I have had the privilege of reading the majority report recommending veto action on Reorganization Plan No. 1. I have had the opportunity of studying it page by page and also of looking over the testimony before the Committee on Expenditures in the Executive Departments.

I submit that if we adopt this resolution, indorsed by a majority of the Senate committee, we shall kill the first reorganization plan submitted by the President to carry out the recommendations of the Hoover Commission, a plan to convert the Federal Security Agency into a Department of Welfare. I think this is the issue, Mr. President. The issue before the Senate is whether we are going to have the courage, the fortitude, and the wisdom to adopt the program which has been recommended and which is in substantial agreement with the program or the Hoover Commission, or whether we are going to sidetrack the

reports of the Hoover Commission and go backward into a no-man's-land of confusion, of countless bureaus and agencies within a department. We are either for the Hoover Commission or against it. We are either for the recommendations of the Commission on Reorganization of the Executive Departments, or we are against them.

Mr. President, let me restate what I consider to be the issue. I think it is simply this: Are we to reorganize the Government or not? Are we to support the Hoover Commission or not? If we kill the first plan of reorganization, which is in full accord with the Hoover Commission recommendations, because of the opposition of a lobby on behalf of a very small group which is not even affected by it, except in its own imagination, we shall have offered proof that a democratic government cannot effectively order its own affairs.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. HUMPHREY. I will yield very briefly, for a question.

Mr. TAFT. I have only one question. The Senator has referred to action by a lobby. I should like to know if the Senator is aware that I made some arguments 2 years ago, before any lobby appeared, against the principle of putting all these powers under one secretary, and in spite of the opposition at that time of the American Medical Association to which the Senator refers. I think it is unfair for the Senator to say that the opposition is lobby opposition. My opposition is an opposition on principle, and I am quite willing to attack other bills which would meet the opposition of the same lobby to which the Senator has referred.

Mr. HUMPHREY. Mr. President, I desire to say that from here on I shall yield only for the purpose of a question. I think we must abide by the rules. I have been asked to abide by them.

I merely want to point out that the distinguished Senator from Ohio did make recommendations, but I say, without fear of successful contradiction, that there is a lobby, a very powerful one, which has besieged my office and the offices of other Senators on this particular proposal. It is a lobby against the proposal. The fact is that in 1949 there is a lobby, and it is effective, and I intend to speak about it.

Mr. TAFT. Mr. President, will the Senator yield once more?

Mr. HUMPHREY. For a question only.

Mr. TAFT. Has the Senator received as many telegrams as I have received from the CIO unions, all over the country, in behalf of the plan and against the resolution?

Mr. HUMPHREY. I may say to the distinguished Senator from Ohio that I am not so fortunate as to receive so many communications from the CIO. They seem to have a greater interest in the Senator's point of view than they have in mine. I have received thousands of telegrams and letters on this proposal, but I must confess that most of them have been of the "patent remedy" type,

and not by specific prescription. They are the old "patent remedy" telegrams. One takes his choice in picking them out of the jar of telegrams and sending them where he wants to send them, to his Representative or Senator.

Surely we must have some compelling reason before we take a step so important as is Senate Resolution 147, but I submit that no compelling reason has been offered. If Senators will read the report they will see that the weight of the evidence is heavily against the resolution which would kill this reorganization program. In other words, it is heavily against the resolution we are asked to adopt. I shall go into it in some detail, and I hope that the distinguished Members of the Senate will follow the majority report with me, step by step. But, first of all, I should like to emphasize one cardinal fact.

Nowhere in the majority report do the authors contend that Reorganization Plan No. 1, which the majority asks the Senate to reject, is in violation of any of the Hoover Commission's recommendations. This is important, Mr. President. It seems to me it is a controlling feature in the debate. Certainly one of the principal questions is whether the reorganization plan is or is not in conformity with the Hoover Commission's proposals.

The opponents of this particular plan, however, have sought to give the impression that it does, in fact, violate the Hoover Commission recommendations, and have argued that it should be rejected for that reason.

If it were possible to substantiate that allegation, one might expect to find at least a statement of the case in the report filed by the majority members of the committee which voted out the pending resolution, but Senators will search the majority report in vain to find any substantiation of the feeling of the opponents of the reorganization plan that it is a violation of the Hoover Commission report.

Mr. President, in hundreds of the telegrams I personally have received the authors of the telegrams say, "Support Hoover Commission recommendation. Reject Reorganization Plan No. 1." I have taken the liberty to reply, "I do support the Hoover Commission recommendation. I trust that you will. Therefore, support Reorganization Plan No. 1."

Mr. FULBRIGHT. Mr. President—The PRESIDING OFFICER (Mr. HUNT in the chair). Does the Senator from Minnesota yield to the Senator from Arkansas?

Mr. HUMPHREY. I yield.

Mr. FULBRIGHT. Has the Senator ever seen the Task Force Report of February 8 on the Federal medical services?

Mr. HUMPHREY. The junior Senator from Minnesota is very familiar with the Task Force Report on the medical services.

Mr. FULBRIGHT. The Senator knows that that report specifically recommends the United Medical Administration to be separate, does he not?

Mr. HUMPHREY. Let me say to my distinguished colleague from Arkansas that the issue is not the United Medical

Administration. This seems to be where the confusion comes. The United Medical Administration is a separate proposal unto itself, and we will debate that when it comes before the Senate. The United Medical Administration, as former President Hoover stated, was something to be created by legislation. The point is that the task force report—which was, by the way, a task force report, not a Hoover Commission recommendation, and that needs to be underlined—does not deal with Reorganization Plan No. 1; it deals with a separate issue which is in the Senate Committee on Labor and Public Welfare, which, I may say to the Senator, is exactly where those who are for the United Medical Administration should have gone, instead of to the Committee on Expenditures in the Executive Departments.

Mr. FULBRIGHT. Let us go to the Commission report itself, page 2, recommendation 1, which follows exactly the Task Force Report, and then again to the Commission's report entitled "Social Security and Education, Indian Affairs," in which it recommends the creation of a department in which there is no medical service. I do not understand the Senator's reasoning at all, because the Hoover Commission's report positively does not recommend Reorganization Plan No. 1.

Mr. HUMPHREY. I am very happy to reply to the Senator from Arkansas by stating that the Hoover Commission recommends a United Medical Administration, and there is a bill having that objective before the Committee on Labor and Public Welfare.

Mr. FULBRIGHT. But the Hoover Commission does not recommend plan No. 1.

Mr. HUMPHREY. I may say, the Hoover Commission recommendations cover 19 reports. The summary report deals with general observations upon the administrative pattern of government, as do the 18 other specific reports, and points out the necessity for the reorganization of the Department of Welfare. There is not a shadow of doubt that the creation of the Department of Welfare, as is recommended by the President's reorganization plan, is underwritten by the Hoover Commission, with this one exception, to which I shall come, that the Public Health Service would be connected with the United Medical Administration. But I submit to the Senator that the Congress has not created the United Medical Administration, so the issue is, where do we want the Public Health Service? Perhaps it should be put on Guam, perhaps we should give it to the United Nations, but if it is under our Government, we would have to have it under some kind of a department, and the temporary provision is to leave it under the Department of Welfare, which does not in any way obviate the possibility that at a later date it will be transferred to the United Medical Administration, if the United Medical Administration is established. In the meantime, where should we put it? Should we put it under the Department of Labor, or the Department of Commerce, or in the

Treasury? It was once under the Treasury.

Mr. FULBRIGHT. It is not included in Plan No. 1.

Mr. HUMPHREY. The Public Health Service is, momentarily, temporarily, left under the Department of Welfare.

Mr. FULBRIGHT. Why is not the United Medical Administration included in plan No. 1?

Mr. HUMPHREY. The Chairman of the Hoover Commission made the observation, in his testimony before the Committee on Expenditures in the Executive Departments for the creation of a United Medical Service Administration, that it would take legislation to create it.

Mr. FULBRIGHT. The Senator does not believe that, does he?

Mr. HUMPHREY. The Senator does believe it. There may be some doubt in the mind of the junior Senator from Arkansas, but the Senator from Minnesota believes it. Apparently the Senate believes it, because there is a bill before the Senate Labor and Public Welfare Committee to effectuate that purpose.

Mr. FULBRIGHT. The Senator knows that the Bureau of the Budget in their opinion said it could be done by reorganization.

Mr. HUMPHREY. In the report of the Hoover Commission it was recommended that it be done by legislation.

Mr. FULBRIGHT. I do not think the Senator is correct at all. It was recommended that it be done under a reorganization plan. There is no question about the power of Congress to do it by legislation, I do not deny that, but if we are to reorganize and try to follow the Hoover Commission, it should be included as a part of a reorganization plan.

Mr. HUMPHREY. I can see that the Senator loves the use of forensics and debate, and therefore I shall yield to him for the moment for the pleasure we can afford each other.

For the purposes of the argument, working on the assumption of the Senator from Arkansas, let us assume that the United Medical Administration can be created by Presidential reorganization. Then let us wait until it is established, and debate it. The point is that the Department of Welfare was recommended, and it was recommended by every President, with the exception of Calvin Coolidge, since 1923, and the proposal for a Department of Welfare is the issue before the Senate now.

The issue is not the United Medical Administration. That is a fictitious issue. The real issue is the Department of Welfare. If the junior Senator from Minnesota were engaged in a debate on the United Medical Administration, he would have to take part in that at another date, because the problem before the Senate today is simply the issue of the Department of Public Welfare.

Mr. FULBRIGHT. I think the issue is the statement the Senator made that this plan follows the Hoover Commission report. I merely say it does not. That is the issue.

Mr. HUMPHREY. I am happy to have the observation of the junior Senator from Arkansas. We differ and I shall prove my point.

I have asked Senators to look through the majority report and to find a single statement by the majority to the effect that Reorganization Plan No. 1 is not in conformity with the Hoover Commission recommendations. Not one word will be found to that effect.

True, the report points out that plan No. 1 does not effectuate all of the Hoover Commission recommendations relating to the Federal Security Agency. True, it summarizes the allegation made repeatedly by opposing witnesses, several of whom asserted categorically that the plan does not conform. But the majority do not make the same assertion, nor does the Commission suggest that the President has been remiss in failing to carry out the remaining Hoover Commission proposals by reorganization plan. Why? Because evidence before the committee, including testimony by former President Hoover himself, demonstrated conclusively that:

First. Reorganization Plan No. 1 does conform with the Hoover Commission recommendations, and

Second. The most controversial and important of the remaining recommendations affecting the Federal Security Agency cannot be carried out by the President under reorganization plan, but only by special legislation passed by the Congress.

Now let us take up the argument, point by point, as set down in the majority report—bearing in mind as we go along that conformity with the Hoover Commission recommendations is not at issue, so far as the report is concerned, unless the majority wishes to make it an issue. I may say I would beseech, I would ask that the opponents make it an issue, and that we judge the merits of the question accordingly. But I believe the opponents will not make that an issue.

As I mentioned a moment ago, this is a remarkable document. In substance, the argument for rejecting Reorganization Plan No. 1 goes something like this:

After setting forth the provisions of the plan and its legislative history, the report points out that the President submitted Reorganization Plan No. 1 of 1949 in accordance with the Reorganization Act of 1949, which was passed by this Congress 6 or 7 weeks ago. Certainly there is nothing wrong with that. But maybe an argument against the plan will come in a little later. As we continue our consideration we find that up to now there has been no real argument put forth against the plan. Let us proceed.

Next, the report tells us that the plan is the culmination of a long history, which began with the recommendation in 1923 by Warren G. Harding that a Department of Welfare be established. The same recommendation, we are told, was made 9 years later by President Hoover. It was repeated by President Roosevelt's Committee on Administrative Management in 1937. The need for it was reaffirmed by President Roosevelt in 1939 when he established the present Federal Security Agency by reorganization plan. It was recommended by President Truman in 1946, 1947, and 1948. All this has been subscribed to by the distinguished

chairman of the Committee on Expenditures in the Executive Departments, the Senator from Arkansas [Mr. McCLELLAN].

All this, Mr. President, is set forth in the majority report, which concludes that we should now reject a proposal to do what every President but one has recommended since 1923. But perhaps a convincing reason for rejecting it will be found as we turn the pages.

Next we are told that the Committee on Expenditures in the Executive Departments reported favorably in 1947 a bill sponsored by the sponsors of the resolution we are now considering, to transform the Federal Security Agency into a Department of Health, Education, and Welfare, and giving to each function a high degree of autonomy. This, the report explains, differs from Reorganization Plan No. 1, which places administrative responsibility in the Secretary of Welfare.

The majority do not say whether they approve of one form of organization or the other, but merely summarize the arguments offered on each side by opposing witnesses. This is not surprising, and I want to bring this clearly to the attention of the Senate—since the form of organization provided in Reorganization Plan No. 1 is in precise and detailed accord with recommendations of the Hoover Commission. No one who heard the testimony in committee or who has read the Hoover Commission reports could reach a different conclusion. By the same token, the form of organization provided in the bill sponsored in 1947 and again in 1948 by the sponsors of this resolution, is in direct and flagrant violation of the most basic principles of executive management laid down by the Hoover Commission. This point will be developed in more detail by one of my colleagues.

Let me quickly summarize the administrative pattern as provided in Reorganization Plan No. 1 as underwritten and wholeheartedly subscribed to by the Hoover Commission. The administrative pattern of the bill sponsored by the proponents of the veto resolution; that is, the bill providing for separate autonomy for health, welfare, and education, is exactly the administrative pattern which the Hoover Commission says is wasteful, inefficient, duplicating, cumbersome, and clumsy. Yet the sponsors of the veto resolution would kill off a plan which would underwrite and which would put into effect the administrative organizational pattern recommended by the Hoover Commission.

In any case, the majority do not contend that Reorganization Plan No. 1 is faulty in this regard, but merely point out that some of the opponents do. So far, we have found no compelling reason to follow the majority's advice. So let us go on.

Next, the report lists the witnesses who appeared for and against Reorganization Plan No. 1, indicating quite clearly that the chief opposition to it, except on the part of the sponsors of Senate Resolution 147, came from the spokesmen for organized medicine.

For some reason, not clear to me, the report fails to mention that the list of

witnesses in favor of the plan included a gentleman who only the other day was heralded, on the floor of the Senate, for his patriotic service to this country, the former President of the United States, Herbert Hoover, Chairman of the Commission on Organization of the Executive Branch of the Government. It is true that he testified generally, on all of the first seven plans submitted by the President. But surely it is important for us, in the consideration of plan No. 1, to know that Mr. Hoover said, and I quote him, directly from the hearings:

I want to say at once that the seven plans are all steps on the road to better organization of the administrative branch. They are, insofar as they go, substantially in accord with the recommendations of the Commission on Organization of the Executive Branch of the Government.

The only interpretation one can place upon that statement is simply this, that the distinguished Chairman of the Commission on Organization of the Executive Branch of the Government felt that these plans represent good forward steps, and particularly Reorganization Plan No. 1, and his statement indicates that he wished it went further, and so does the junior Senator from Minnesota. But to say that one thinks it ought to go further than it now goes, and therefore he will reject it, is to say that he does not believe in what we may call steady progress. It would be the same sort of thing as if people were to say that the need for schools in America today is greater than can be supplied, and that, therefore, since we cannot go the whole way, no forward steps whatever should be taken. I have heard it said repeatedly that we need in this country many school buildings, we need today much money for the support of our schools and we need billions of dollars for a highway program.

Only the other day there was before the Senate for consideration an appropriation for the Public Roads Administration. We could all have voted against it. We might have said, "We need from \$25,000,000,000 to \$50,000,000,000, according to the road builders of America, for the building of highways, so we are not going to vote for the appropriation of four or five million dollars. That is not enough." What kind of reasoning would that be? That would be the same as saying that, simply because we cannot afford to pay for the building of a new house, we will not undertake to put up sufficient money to make necessary repairs. Or if repairs were necessary to be made, and we did not have sufficient money to make all the repairs, would it not be foolish to say that we would not make as many repairs as we could afford to make, simply because we did not have money enough to make all the repairs? What kind of reasoning would that be?

So long as the step now proposed to be taken is a forward step, and in accordance with the Hoover Commission's recommendations, it is a step worth taking. If it is in conformity with the program laid down by the Hoover Commission, if it has the support of the sponsors of the reorganization movement in the Government, then it appears to me

it is the kind of plan which should be given the helping hand of the Congress of the United States.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. BALDWIN. I may say to the Senator from Minnesota that I have been quite confused by the arguments which have been made one way and the other on this question. The Senator states that this is but a step. It seems to me that there is a good deal of question as to the direction in which the step is to be taken. It may not be backward, but it may be in the direction of something we do not want. As I understand from an examination of the tax force report, it was the recommendation of the task force that a United Medical Service be established, which would be independent of the Department of Health and Welfare, as recommended in other portions of the report.

The Senator says that if we take this step now and put the Medical Service in the new department, ultimately, if we want to do it, we can organize it in another way. I submit to the Senator this question: Have not the President and Mr. Ewing indicated already that it would not be their purpose or desire to take that further step in conformity with what the Senator says? In other words, if we adopt the Senator's suggestion and put the Health Service in the new department, while some Senators may feel that it ought to be set up in compliance with the report of the task force, how are we ever going to accomplish that once this step is taken? The President has said in his letter:

I am unalterably opposed to the recommendation to transfer the Public Health Service to an independent United Medical Administration and I feel that any plan to consolidate hospital functions at this time would be premature.

How does the Senator get around that particular situation?

Mr. HUMPHREY. The junior Senator from Minnesota does not wish to get around it. The Congress can legislate as to where it wants the agencies of Government to go. If we think the Public Health Service ought to be in the United Medical Administration, we must take certain steps. I think we can rely upon the advice and judgment of the Hoover Commission. There does not seem to be any partisan debate as to whether or not Mr. Hoover has done a good job. I think all fair-minded people realize that he has done a tremendous job.

What does he say with reference to the United Medical Administration?

I do not think the President has ignored the recommendations, because the whole problem of reorganization is so greatly interlocked. For instance, in order to carry out the Commission's recommendations, it is necessary to set up a United Medical Administration in the Government before the health functions in the Federal Security Agency can be transferred. The creation of that agency, I am advised, will require specific legislation before the President could transfer agencies to it.

I shall not debate the point as to what Mr. Hoover said. He has been advised by counsel for the Committee on Or-

ganization of the Executive Branch of the Government.

The question which the Senator from Connecticut raises is an important one. Apparently the present head of the Federal Security Agency and the President have stated that they do not believe that the Public Health Service should be transferred to the United Medical Administration. The American Legion and the Veterans of Foreign Wars do not even want a United Medical Administration. But if the Congress wishes to transfer the Public Health Service to the Maritime Commission it can do so. If it wishes to transfer the Public Health Service to the Port Authority, it can do so. We legislate. Congress can put the Public Health Service wherever it wishes to put it, or it can rely on the good will of the President and hope that he will transfer it. If we feel that he will not do it, we should pass the kind of legislation which will take care of the problem.

Mr. BALDWIN. Suppose a Senator believes that there should be a United Medical Administration, and that it should be independent, but that it should not be intermingled with other important activities. Suppose he votes for this particular plan, and the Medical Service goes into the new department. He may hope that, as an administrative act on the part of the administrative department in the Government, the President and Mr. Ewing will set up a separate United Medical Service. We have every indication, from what the President and Mr. Ewing have said, that neither of them believes in that sort of a program. So obviously it will not be done by administrative action.

Mr. HUMPHREY. Mr. President—

Mr. BALDWIN. May I finish?

Mr. HUMPHREY. Mr. President, my time is limited.

Mr. BALDWIN. The Senator has the floor. If he does not wish to yield further, he is not obliged to do so.

Mr. HUMPHREY. I prefer that we have questions. Senators on the other side have a certain amount of time. I want to be fair. I have a very high regard for the Senator from Connecticut, and I should like to allow him to continue with his interrogation; but let it be put in the form of a question.

Mr. BALDWIN. I shall put it in the form of a question at the end.

The other alternative, it seems to me, is that, as the Senator has suggested, we could take legislative action. But does not the Senator realize that if the President is opposed to it, and we take legislative action to put it into effect, the President can veto it, and we shall be faced with the necessity of overriding his veto?

Mr. HUMPHREY. That is a definite possibility. However, I understood that the President was opposed to the Taft-Hartley Act. Congress passed it over his veto. The President appointed the general counsel, and he administers the law. The President of the United States takes an oath of office to uphold the Constitution. If the Congress felt that the Public Health Service should be in the United Medical Administration, I do not think

any President would deny that that is where it would be placed.

Mr. BALDWIN. I quite agree with my distinguished friend. But if a Senator believed that there should be a United Medical Service and that it should be independent, by voting in favor of this resolution he could have his point established by majority vote. If he voted to support the plan, and the United Medical Service should go into the new department, then the only way the situation could be changed would be by a two-thirds vote. Are not those alternatives?

Mr. HUMPHREY. Not quite. Let me point out, from the standpoint of the junior Senator from Minnesota, what the alternatives are.

If this reorganization plan is killed, the Public Health Service will still be under the Federal Security Agency. Mr. Ewing is still at the head of that Agency. The Public Health Service will be in exactly the same position it was. If this plan is killed it is no guaranty that there will be a United Medical Administration. That question will be fought out on its merits. While the American Medical Association has learned the art of lobbying, whenever it starts to tamper with veterans' medical care there will be trouble. So if we think we have a tough nut to crack so far as Reorganization Plan No. 1 is concerned, we shall find that this is only a warming-up exercise if we undertake to legislate on the matter of a United Medical Administration.

This proposal does one thing. It says that the Senate is willing to underwrite the basic principles of reorganization. I do not mean the details, but the principles. First, the Commission recommends as a primary objective that—

The numerous agencies of the executive branch must be grouped into departments as nearly as possible by major purposes in order to give a coherent mission to each department.

Second, the Commission lays down the principle that—

Within each department, the subsidiary bureaus should also be grouped as nearly as possible according to major purposes.

Third—

Under the President, the heads of the departments must hold full responsibility for the conduct of their departments. There must be a clear line of authority reaching down through every step of the organization, and no subordinate should have authority independent from that of his superior.

Those are the basic principles of the Hoover Commission report. What we are arguing today is not merely the question of the details of the welfare plan, but whether or not the basic principles of reorganization are to be accepted or rejected. I am for their acceptance.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. TAFT. Does not the Senator feel that the attempt to combine health, welfare, and education, which are completely separate at the local level, is a violation of the basic principles of the Hoover plan?

Mr. HUMPHREY. The junior Senator from Minnesota is unwilling to ren-

der a layman's judgment on that subject. He has read repeatedly from what has been said by those who have been in the field of administration at higher levels than the junior Senator from Minnesota has ever attained. I pointed out what the distinguished former President Hoover had to say. In the twilight of his life he has gained new glory, on the basis of his great contribution toward reorganization. He says that Reorganization Plan No. 1 is the first step in the right direction. I predict that before this debate is over he will say that Senate Resolution 147 is the first step in the wrong direction. That is my considered judgment.

I point out that sooner or later we have to come to grips with the problem of reorganization. I have heard the debates on economy and waste and duplication in Government. I submit there is always waste in Government and there always will be duplication and inefficiency so long as there are 10 captains and 10 chiefs in every department. There cannot be an efficient Government unless there is integrated command. A department head cannot be held responsible unless he has responsibility in fact, as well as in theory. Although some may have disliked some of the political philosophy of former President Hoover, and it is perfectly obvious that the junior Senator from Minnesota has disagreed with his political philosophy, yet no one has ever said that former President Hoover did not understand administration. I happen to think there is something else to Government than administration; but administration helps, and provides for the best use of the resources at our command.

I should like to continue with the majority report. There is much to be said about it. Those who have prepared it and have subscribed to it have done a good deal of hard thinking about the problem before the committee. I know there are honest differences of opinion, and I realize that neither the majority report nor the minority report is one of perfection. I am not asserting that Reorganization Plan No. 1 is everything that I would want it to be. I am only arguing that to my mind and my way of considering it, it is a forward step.

I predict that if we make any progress under the Hoover Commission's recommendations—and pray God that we do—we shall have to inch along, move along step by step.

Mr. TAFT. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. STENNIS in the chair). Does the Senator from Minnesota yield to the Senator from Ohio?

Mr. HUMPHREY. I yield.

Mr. TAFT. Does not the Senator think that if we give the departments the things they want, we shall never put into effect the things they do not want? Does not the Senator think we must put the sweet and the sour together, if we are to have both placed in effect?

Mr. HUMPHREY. I have some difficulty in following the observations of the Senator from Ohio in that matter. I gather that he takes the position that a

little sugar and a little vinegar must be mixed together, for by putting them together the resultant mixture does not taste so bad, and perhaps it will be accepted. Is that the Senator's point?

Mr. TAFT. No, not at all. My point is that if we give the departments what they want—the higher salaries, the greater status that Mr. Ewing wants, and so forth—but at the same time do not take away the administration of medical matters, we shall never be able to take the medical administration away from this agency. That is my point. In every case, if we are going to get the whole thing through, it seems to me we must do it in one piece, and not do the things that are pleasant for the departments, and then not try to put into effect the things they do not like.

Mr. HUMPHREY. I am sure the Senator from Ohio does not mean that we should do everything in one piece.

Mr. TAFT. I mean as to each department.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. ELLENDER. Yesterday, while the distinguished Senator from Ohio was debating this question, I asked him whether he knew what the position of the Hoover Commission or that of any member thereof was. As I remember, he said he did not know specifically, but that the plan before us carried out the views of three members who were in the minority. I telegraphed former President Hoover this morning as follows:

Hon. HERBERT HOOVER,

Waldorf-Astoria Hotel,

New York, N. Y.:

Would appreciate your views respecting Reorganization Plan No. 1 which creates Department of Welfare with Cabinet status. Senate expected to vote today.

Best wishes,

ALLEN J. ELLENDER,

United States Senator, Louisiana.

With the Senator's permission, I should like to read his answer.

Mr. HUMPHREY. I shall be very happy to receive it.

Mr. ELLENDER. I read the telegram:

NEW YORK, N. Y., August 16, 1949.

Hon. ALLEN J. ELLENDER,

United States Senate:

In reply to an inquiry, I yesterday sent the following telegram to Senator MORSE: "Your telegram reached me here. I stated my views fully to the Senate Committee on Expenditures. In brief I supported the President's seven plans as first steps on the long road of reorganization which only can be carried out by further Executive and congressional action if the recommendations of the Commission are to be fulfilled. I likewise supported plan No. 1 and outlined that the further imperative steps recommended by the Commission are the separation of all health and labor agencies from the new department and reorganization of budgeting, accounting, and personnel methods. The Commission did not recommend the term 'Welfare' for the name of the department but inclined to the term 'Education and Social Security.' The recommended reorganization will, of course, not be effective until these further steps are undertaken."

HERBERT HOOVER.

Mr. HUMPHREY. Mr. President, I greatly appreciate the telegram which

has just been read by the distinguished Senator from Louisiana. It is one of those welcome telegrams; and the more we can receive, the better off we should be.

Mr. President, I shall continue with the analysis of the majority report.

In addition to Mr. Hoover, witnesses who testified in favor of Reorganization Plan No. 1 represented the President, the American Council on Education, the American Public Welfare Association, the American Pharmaceutical Association, and the Veterans of Foreign Wars. To my personal knowledge, a great many other witnesses, representing almost every organized segment of the population, would have testified for the plan if there had been the slightest indication before the hearings closed that the plan was in danger. But the attack against it was carefully timed. It was not until the very day the hearings were closed that a veritable avalanche of telegrams descended upon the committee and its members, individually, many identical and virtually all supporting the position of the American Medical Association. In the evening of the same day, the veto resolution we are now considering was introduced. I draw no conclusion from that coincidence, but merely call attention to it to explain why the many public-spirited organizations which would have testified if they had known the plan was in danger did not do so. However, many of them did send letters and telegrams to the committee expressing their support.

The majority report states quite candidly that most of the telegrams, letters, and statements received by the committee were sent by physicians, medical societies, and individuals affiliated with the latter, almost all of whom wanted an independent Public Health Service and urged that Reorganization Plan No. 1 be turned down until and unless they get what they want.

The report might have pointed out, of course, that while the majority of individual communications received by the committee were in opposition to plan No. 1, those in favor of it represented the overwhelming majority of the voting citizens of America. After all, adding all the medical societies in the United States together, if every member of every one of them should send a telegram to each Senator, he would have heard from only as many people as live in any one of a score of middle-sized American cities, cities about the size of my sister city of St. Paul, Minn.

The report might also have made known the fact—for it is a fact—that a great many of the communications inspired by the American Medical Association were identical, word for word and period for period. For instance, on one particular day, the Committee on Expenditures received 30-odd identical telegrams, each signed by a different member of one medical society in a medium-sized New Jersey town. The telegram read: "Kill Reorganization Plan No. 1." At about the same time, a flood of telegrams came in from remote hamlets in every

part of one State, all urging, in the same words: "Don't make Ewing any bigger, he's too big already." Each was signed by a different person—not one of whom, I am sure, had the slightest knowledge about Oscar Ewing or his size.

I may say that the issue is not the distinguished head of the Federal Security Agency. We are talking about a long-run principle of Government. We are talking about a Department of Government. Whether one likes or dislikes the head of the Federal Security Agency is not the issue. If we do not like him, if it is the majority opinion of the Senate that he should not be the head of the Welfare Department, then I may say to Senators, when his nomination comes up on the floor of the Senate for confirmation, let us fight it. Let us wait, and not try to muddy up the waters of this debate with the matter of a personality.

Mr. LUCAS. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Illinois?

Mr. HUMPHREY. I am glad to yield.

Mr. LUCAS. In connection with the last statement made by the Senator, as the Senator from Illinois entered the door, I may say practically every telegram I have received from the Medical Society in my State has criticized an individual who they assume is going to head this Department, rather than dealing with the basic issues involved in Reorganization Plan No. 1. As the Senator from Minnesota rightly said, if there are 49 or more Members of the Senate who are willing to vote against Reorganization Plan No. 1 primarily, or secondarily, because of a personality, they can wait for that individual to come before the Senate upon nomination by the President, and then act adversely upon the nomination of Mr. Ewing, if that is the way they feel about it.

Mr. HUMPHREY. I am very happy to have the observation of the distinguished majority leader, because it is my considered judgment that, as he has so well pointed out, with respect to the issue of personality, we have a means of dealing with that. We have a means provided under the Constitution. The President nominates, the Senate confirms. If we do not like the person who is nominated, we do not have to confirm him, we can withhold confirmation. That issue will be debated on another occasion. Perhaps a consideration of that kind may have deterred the majority from listing in their report the organizations which have indicated their support of Reorganization Plan No. 1.

Let us go on to see what organizations supported Reorganization Plan No. 1, other than those I have already mentioned. I have named the Council on Education and the Pharmaceutical Association. And, by the way, as a practicing pharmacist, I am willing to stack up the professional ability of the American Pharmaceutical Association along with the American Medical Association, as to their judgment with respect to what

is good for health. The doctor prescribes, the druggist dispenses. Let us go on a little bit further. The Veterans of Foreign Wars, the President of the United States, the former President of the United States, Mr. Herbert Hoover—all of these testified for Reorganization Plan No. 1. Here are a few others: The American Legion, the American Federation of Labor, Disabled American Veterans, American Public Health Association, American Parents Committee, Congress of Industrial Organizations, United Automobile Workers, National Women's Trade Union League, Association of State and Territorial Health Officers. There are many, many more. Certainly, we want to take their wishes into account. I think there can be no doubt whatever that the majority of the people of this country want Reorganization Plan No. 1 to become law. This is clear if you just consider the membership of the organizations that are on record for it, and compare their numbers with the membership of the American Medical Association and the American Dental Association. Of course, I am not inclined to worship the opinion of poll as a Delphic Oracle, especially when it gets into politics.

I think we have learned a lesson about that. But I call attention to the recent Gallup poll, published just last week, which showed that only 28 percent of the people are opposed to this plan. Twenty percent had no opinion, and 54 percent were for it. On the sheer basis of mathematics, on the basis of the organizations for and against, the proof and the evidence seem to show, let me say, beyond a shadow of a doubt, where the American people stand on Reorganization Plan No. 1. So far, there certainly is nothing in this majority report to indicate that we should follow the advice of its authors and vote for the veto resolution. Having digressed for a moment to fill in a significant gap, let us return to the report itself. Perhaps we shall find an argument yet to support the conclusion it reaches.

Having shown that plan No. 1 was submitted in accordance with the wish of Congress and in line with the recommendations of all Presidents but one since 1923, and having shown that it enjoys extremely broad support and very limited opposition, the majority report, which says we should veto this reorganization plan, then proceeds to summarize the testimony in favor of the plan. It is an eminently fair and candid summary—I shall quote it verbatim—and subscribe to it wholeheartedly.

I may have said to my distinguished colleagues, I am not quoting from the minority views presented to the Senate by the junior Senator from Minnesota. I am quoting from the majority report on Reorganization Plan No. 1. What does it say?

1. The functions of health, education, and security now performed by the Federal Security Agency are of sufficient importance to warrant departmental status, and in the interests of the welfare of the people such recognition should be granted without further delay.

There can be no argument, then, about having a duty, so I agree with that.

2. Plan No. 1 would accomplish this by converting the Federal Security Agency into a Department of Welfare, but would neither add to, nor detract from, nor change the statutory functions now performed by the Federal Security Agency. The plan would merely convert FSA into a cabinet department.

Of course that is all that can be done under the Reorganization Act of 1949. This is well stated, I submit, and it is true.

What is the third observation of the majority report, which asks the Senate to veto Reorganization Plan No. 1?

3. The plan implements a cardinal recommendation of the Commission on Organization of the Executive Branch of the Government for the establishment of a Department of Welfare, which action has been urged by every President (excepting President Coolidge) since President Harding in 1923.

All of that is true.

4. The Federal Security Administrator, under existing statutes, does not have the authority to administer his organization to obtain the most efficient operations. His present authority is only of a general supervisory nature.

I concur in that statement.

What is the fifth observation which the majority report makes?

5. Section 2 (b), (c) of plan No. 1 would give the new Secretary of Welfare the authority the FSA Administrator testified as being essential for efficient administration by investing in the Secretary the power to consolidate functions and, with minor reservations, to delegate functions as he deems necessary or desirable.

This is in line with a major principle of executive management which was stressed time and time again in the Hoover Commission reports as essential to economy and efficiency in the executive branch.

In other words, the right of a department head to delegate functions, to line up the work, and I regard that as one of the cardinal principles of the Hoover Commission report. Then, sixth, what does the majority report say?

6. The holding-company type of organization, such as the Federal Security Agency, of which the Social Security Administration, the United States Public Health Service, the Office of Education, etc., are component parts, in the past has not proved the most satisfactory to discharge those functions.

This is exactly the kind of organization which the Hoover Commission holds responsible for much of the inefficiency, duplication, and waste which all of us are so anxious to eliminate.

Let us move to the seventh observation of the majority report:

The prestige which accompanies a Cabinet officer, or a department of Government, would facilitate more efficient discharge of the functions embraced by the Federal Security Agency, with attendant benefits to the people.

It seems to me that is self-evident.

Then comes the eighth observation:

The Federal Security Agency, by size alone (35,000 employees), and by the scope, importance, and significance of its functions, reserves departmental status.

This I believe is universally recognized and is not questioned by anyone.

I shall, of course, expand on these points, and have already touched upon a few of them. We feel that the logic in favor of Reorganization Plan No. 1 is overwhelming, by the admissions of the majority itself; overwhelming to the point that every single argument of the Hoover Commission, every single argument on the facts of administration, is on the side of Reorganization Plan No. 1. The opposition is confined to one point only, that the President of the United States did not, apparently, do what Mr. Hoover says he cannot do—establish a United Medical Administration and transfer the Public Health Service. So, what the issue is in the minds of some persons is that "If you will not do for the Public Health Service what we think you should do, you cannot reorganize the Government." I submit that is a very narrow-minded approach.

All the eight arguments in the majority report in favor of a Department of Health say that we ought to have a Department of Welfare; that the present system is inefficient; that a Department of Welfare would provide a more effective administration.

The majority report next lists its summary of opposition arguments, the allegation that the function of health, and, to a lesser extent, of education, have been dominated by and subordinated to the function of welfare by the Federal Security Agency, to the detriment of the former. As I pointed out at length, in my minority report, this allegation simply is not true, although opposition witnesses repeated it categorically and matter of factly, as if it were. The fact is that the Public Health Service has grown more in the 10 years it has been a part of the Federal Security Agency than in the previous 140 years of its history.

Speaking of appropriations, the Public Health Service has expanded in that respect 517 percent since it became a part of the Federal Security Agency. The Social Security Administration, on the other hand, has had an increase in appropriations over the same period of 252 percent. This increase has been almost entirely for public-assistance grants-in-aid. The social-insurance programs, however, have remained almost stationary. In the political atmosphere of the past few years, they have been lucky to hold their own.

All the talk about the "welfare state" and "domination" by the "welfare idea" is nothing more nor less than political semantics. It is a trick learned from the Communists, who seize upon good, honest, decent words, such as "democracy" and "people," and prostitute them to their evil ends. What is a better end for any government than the welfare of the people? Let me say, parenthetically and in passing, that I am perfectly willing at some future date to debate with anyone, anywhere, whether we should have a welfare state. It is better to have a welfare state than to have a police state or a state of reaction. What is wrong with the welfare of the people? What is better to strive for than a gov-

ernment of the people, by the people, and for the people? How can a government achieve that end except by promoting the general welfare?

Mr. TAFT. Mr. President, will the Senator yield?

Mr. HUMPHREY. I should prefer not to yield at this time, because my time is running far beyond the extent to which it should.

I submit, Mr. President, and the facts bear out my statement, that the Public Health Service has done a better and a bigger job for the welfare of the people in the past 10 years than in all the rest of its long history. I say that is good. Perhaps, before long, if the Public Health Service continues to grow and expand as rapidly under the Department of Welfare as it has under the Federal Security Agency, I shall be one to insist that it be set up as a Department of Health. Perhaps that time is not far in the future, but the time is not yet. The hysterical propaganda about a "welfare state" and the thoroughly unjustified and unfactual talk about "domination" and "subordination" will not speed the process.

Point No. 3 in the summary of opposition testimony, as set forth in the majority report, is in reality a restatement of point No. 2. Having insisted that the Public Health Service and Office of Education are dominated by the welfare function, the opponents now insist that they would be dominated by the Secretary of Welfare under the form of organization established in Reorganization Plan No. 1.

In other words, if we have a Department of Welfare it is going to contaminate health and education. We shall have a Secretary of Welfare, and of course he will somehow or other submerge and dominate the entire organization.

Mr. President, there is only one way we can hope to achieve the objectives of economy and efficiency in government for which the Congress established the Hoover Commission. We must make the heads of departments and agencies responsible for their operation. But responsibility and authority go hand in hand. We cannot have one without the other. What the opponents of the plan are saying is simply this: "We want economy and efficiency, and we are willing to make the Secretary responsible for it, but we are not going to give him the authority without which he cannot possibly achieve it. We are willing to go along with the Hoover Commission recommendations, but not with the most important one, the one upon which all the others rest. We are not going to give anyone we disagree with any authority at all."

That is the attitude we face, Mr. President, and if it prevails, we might as well throw the Hoover Commission reports away and forget about them.

Point No. 4 argues that the Government's health functions should be set up in a separate department of health or in an independent health agency, and that a physician should be the head of it. The committee agreed that this was out of the question for the present, at

least. However, there is nothing to prevent the Congress from establishing such a department or agency at any time it chooses; and the establishment of a Department of Welfare will not affect the freedom of Congress in this respect one iota.

I shall conclude by summarizing my argument.

The opposition to Reorganization Plan No. 1 seems to be based on rather tenuous grounds and some false premises. It is based on the proposition that the plan does not go far enough. There is opposition on the proposition that the health functions of government should not be included in a Welfare Department. Apparently that opposition to Reorganization Plan No. 1 is based upon the idea that a Welfare Department would, somehow or other, subordinate and dominate aspects of government dealing with health. I see no other reason for it, unless it be that those who oppose Reorganization Plan No. 1 do not believe in integrated types of bureaus or departments.

Now let me state what my position is as a member of the Senate Committee on Expenditures in the Executive Departments. First, I believe, along with every other person who has been interested in the creation of a welfare department since 1923, that now is the time to establish it. Every President, with the exception of the late President Coolidge, has implored Congress to establish a Department of Welfare.

Second, I do not believe in the holding company type of the present security agency. I believe it is cumbersome, inefficient, expensive, and wasteful. I submit that the junior Senator from Minnesota has, as his witness for this, the entire Commission on Organization of the Executive Branch of the Government. I believe that a department head should have responsibility for the functioning of his agency, and not only responsibility, but the authority to carry out the functions.

The junior Senator from Minnesota, in urging approval by the Senate of Reorganization Plan No. 1, states, and states it as a conclusive argument, that we in the Eighty-first Congress will be fortunate indeed if we can move ahead a little bit in the program of reorganization. If we can inch along, if we can improve just a little, we will have justified the faith the Congress and the people have placed in the Commission on Organization of the Executive Branch of the Government.

I submit, along with the former President, that all seven plans, and in particular plan No. 1, are in conformity with, in the spirit of and aim at the goal and objectives of the basic recommendations of the Hoover Commission report.

Mr. President, this is the acid test. If we yield now before the onslaught of opposition, if we are willing to have the trumpets blare and frighten us away from our citadel of good government, if we are going to let the trumpets outside the Congress of the United States frighten us into believing that somehow or other it is going to upset popular government if we adopt Reorganization Plan No. 1, then

we have lost all hope of reorganization of the other branches of the Government.

Mr. President, I call upon those who have opposed the plan in public to study the facts, and not study emotions, to look at the real situation and not at the imaginary situation. When the realities and facts are considered, there is not a shadow of a doubt in the mind of the junior Senator from Minnesota that Reorganization Plan No. 1 will be accepted, and will be heralded by the Congress.

Mr. President, it seems to me that men of good will can learn a valuable lesson from this debate and from the controversy which underlies it. I can best illustrate what I have in mind perhaps by reference to the man whose name and whose reputation have been so prominently involved. I refer to Mr. Oscar Ewing, the Federal Security Administrator.

Mr. President, this man has been the victim of vicious propaganda all across the country. He has been misrepresented and insulted from coast to coast. And all of this, I am sorry to say, has played a part, at least indirectly, in the debate here today.

The amazing bitterness of this campaign against Oscar Ewing has baffled me. I know him well, and I know that none of the charges or the insinuations that I have heard are true. To anyone who knows him, in fact, they are utterly fantastic.

Oscar Ewing was born in Indiana. He attended Indiana University. He got his law degree at Harvard, where he and the able senator from Ohio worked together on the Harvard Law Review. He sold aluminum during his summer vacations to help pay his way. He taught for a year at the University of Iowa. He served in the First World War as a captain in the fledgling air service. He forged his way up to the very top in the practice of law, as a member of the firm founded by the late Chief Justice Charles Evans Hughes. He became counsel for the giant Aluminum Co. of America, whose kitchen wares he once peddled to Indiana housewives.

In his spare time, he worked to further the cause of the Democratic Party, of which he became assistant national chairman in 1940, and later vice chairman. As a special Assistant Attorney General, he prosecuted the notorious William Dudley Pelley on sedition charges, and also the traitor, Douglas Chandler. And finally, he was appointed Administrator of the Federal Security Agency.

Mr. President, the career I have just outlined is that of a 100-percent American, a poor middle-western boy who made his own way to the top, a credit to himself and his country.

Probably the greatest thing about America is the tolerance our people have for each other's opinions. Without that, this country would be a far less pleasant place.

But that is the very thing which we have seen corroded and damaged here. Until Oscar Ewing became a public advocate of health insurance, not an angry word was spoken of him and he was held in high esteem by men of all persuasions.

After that, the thunder and the lightning struck.

But, Mr. President, nothing about Oscar Ewing had changed. He was exactly the same man, with the same ideals, the same character, the same personality, and the same solid record of achievement. Yet such was the lack of tolerance for his opinion on this particular issue, that many of those who disagreed with even his good intentions attacked his motives and attempted to destroy his reputation.

Every citizen of our country should have the basic American privilege to believe whatever he thinks is right, to speak out for his convictions, and to fight for them.

I say, let us never lose this tolerance, Mr. President. It is the most valuable asset we have.

Mr. MURRAY obtained the floor.

The PRESIDING OFFICER. What time will the Senator take in presenting his views?

Mr. MURRAY. About half an hour, or a little more.

The PRESIDING OFFICER. The Senator from Montana will proceed.

Mr. MURRAY. Mr. President, in supporting Government Reorganization Plan No. 1, I make no secret of the fact, and I am sure that it is well understood, that I am not a political bedfellow of the Chairman of the Commission on Organization of the Executive Branch of the Government. I have never been closely associated in political philosophy with Mr. Hoover. I hold a very high respect for him because he is a man of wide experience in economic and political life. He is an honest man—a man of very high integrity and ability, a great American—but I would not accuse him of radicalism or of liberalism to any serious degree. In fact, I regard him as an outstanding symbol of rock-ribbed conservatism. If anything, he was even more conservative in 1932, when, as President of the United States, he appointed a special committee to study the whole subject of the cost of medical care.

I point this out because I want to show my colleagues that nothing has changed since 1932, when President Hoover encountered the same blind, arrogant, petty, and hysterical opposition from the very same people who now seek to ruin the first move that is made to carry out his program for the reorganization of the Government. History is repeating itself.

Let me review Mr. Hoover's earlier encounter with the American Medical Association. Even in 1932, it was evident that most people could no longer afford decent medical care, and that something would have to be done about it. Therefore, President Hoover, with his keen engineering bent for efficiency, appointed a distinguished committee, headed by the late Dr. Ray Lyman Wilbur. Now, Dr. Wilbur was no more radical than President Hoover. He was a doctor of medicine himself, and a past president of the American Medical Association. Like Mr. Hoover, he was an honest and an able man. He and his committee dug out the facts. In their report, they said:

Human life in the United States is being wasted, as recklessly, as surely, in times of

peace as in times of war. Thousands of people are sick and dying daily in this country because the knowledge and facilities we have are inadequately applied.

On the basis of the facts which were uncovered, the Wilbur committee made recommendations, just as the Hoover Commission has done with respect to Government reorganization. Their recommendations were not radical; they merely urged the widespread adoption by doctors of the system of group medical practice, and the extension of voluntary health insurance schemes on as wide a scale as possible.

But what was the answer of the American Medical Association? Why, of course, everyone knows what it was. The AMA Journal smothered Dr. Wilbur and his committee under an avalanche of invective. It called the report "socialism, communism—inciting to revolution."

Then the AMA turned with a vengeance to save the country from Dr. Wilbur's communistic schemes. Then, as now, they were careful not to direct their fire at the President who had set those schemes in motion. Instead, they sniped at the committee he appointed. They lobbied legislation through many of the State legislatures, prohibiting the establishment of any voluntary prepayment plans for medical care that were not controlled completely by the local medical societies. They bluffed and bullied legislation onto the statute books in many States by which only members in good standing with the medical societies could obtain licenses to practice medicine, and then they sought to bar from membership anyone who dared to participate in any plan for group practice. They were finally thwarted in this only after criminal prosecution and conviction in the Federal courts, a conviction which was upheld by the Supreme Court of the United States.

This is the self-same opposition, Mr. President, and the only opposition of any substance, which we face today in attempting to carry out the first plan submitted by the President to effectuate the Hoover Commission recommendations. It is just as unreasoning, just as emotional, just as hysterical, just as arrogant, and just as scornful of the public interest as it was 17 years ago. It is even worse in this case, because their interest is not affected by this plan in any way.

Mr. President, only 11 days ago it was the firm expectation of most Americans that formal establishment of a Federal Department of Welfare would soon be accomplished. There seemed to be almost no opposition to Reorganization Plan No. 1.

To be sure, the American Medical Association put itself on record before the Committee on Expenditures in the Executive Departments as favoring a separate Department of Health with a doctor at the head of it. But this view appeared to be tempered with reason. This seemed strange to those of us who know the AMA, since its record on issues affecting the public welfare has been almost unswervingly irrational. Nevertheless, Dr. James Raglan Miller, chairman of the executive committee of the

AMA's board of trustees and their official spokesman before the committee, appeared to agree that a separate Department of Health would be impossible at this time. Therefore, he said:

At this time we urge support of the report of the Hoover Commission on this subject, which recommends an independent health agency under which will be assembled all activities concerned with health except those of the armed forces and Veterans' Administration.

He was clearly misinformed about the Hoover Commission recommendation, of course, since it calls for a United Medical Administration which would include primarily the armed forces and Veterans' Administration hospitals, and in which the Public Health Service would be a subsidiary unit. However, this seemed to be unimportant for several reasons.

First, a bill to establish the United Medical Administration in line with the Hoover Commission recommendations already had been introduced by the senior Senator from Utah and referred to the Committee on Labor and Public Welfare. It was to be expected that those who favored that plan would seek to testify before that committee, and to propose any changes they might wish to make in it. It was to be expected that the opponents would appear also and make their objections known, and that all concerned would try to work out in the proper, orderly way an acceptable program. I do not know whether that would be a Department of Health, an independent health agency based upon the Public Health Service, a hospital holding company as recommended by the Hoover Commission, or whether the Public Health Service would be left where it is. But the place to work that out obviously is in the committee that has the bill. That was one reason why there seemed to be no difficulty with Reorganization Plan No. 1.

The second reason, Mr. President—and I want to emphasize this, because I doubt that many Senators are aware of it—the second reason is that the official spokesman for the American Medical Association, in his testimony before the committee, endorsed Reorganization Plan No. 1 of 1949.

Does that surprise Senators? It surprised me at the time, because I have had a great deal of experience with the AMA, and this was the first time I had known an official spokesman of theirs to speak reasonably and rationally on any issue affecting the public interest. But I took the gentleman at his word.

I do not say that Reorganization Plan No. 1 was the first choice of the American Medical Association. I do not say it was their second choice. But it was their third choice, and their official spokesman, Dr. Miller, said so in so many words.

In view of all that has transpired since then, I know this seems incredible. Therefore, let me quote directly from Dr. Miller's testimony before the Committee on Expenditures in the Executive Departments, on July 22, 1949, one month ago. Remember, Dr. Miller was the official spokesman of the American Medical Association, chosen specifically by the board of trustees to represent the AMA

at these hearings. Here is what he said, in summarizing the AMA's position:

We are still firm in our belief that ultimately a Department of Health is a vital necessity for the Government. Whatever steps are taken, we should like to feel are steps which will not hinder the ultimate development of a Department of Health with Cabinet standing.

The second choice, in our estimation—

I am still quoting directly from the AMA's official testimony—

The second choice, in our estimation, would be along the lines of the Hoover Commission report; an independent agency grouping together the principal medical services of the Government, not including a few specified in that report.

Falling that—

And I hope Senators will note this carefully—

Falling that—

The official spokesman of the American Medical Association told the committee:

The reorganization plan which is being presented here we should like to see accepted, if it is done with the understanding that ultimately it may be much preferable to have the health services of the Government unified in a separate Cabinet department.

Just a moment or two later, the able Senator from Maine [Mrs. SMITH] asked Dr. Miller the direct question:

Assuming that Congress does not favor the creation of a Department of Health; you would then favor this plan No. 1?

And Dr. Miller, the official spokesman for the American Medical Association, answered:

I would say we would go along with it and do the best we can.

So it will be seen, Mr. President, there was no reason to believe that there would develop any substantial opposition to Reorganization Plan No. 1. True, several other witnesses, representing various segments of organized medicine, repeated all the half-truths and hysterical bromides with which the AMA has been flooding the country for years. But the AMA itself told the committee that it was willing to accept Reorganization Plan No. 1 and go along with it, merely reserving the right to keep on plugging for a separate Department of Health.

This attitude, together with the supporting testimony by Mr. Hoover, the Director of the Bureau of the Budget, and spokesmen of organizations representing all three of the great fields of education, public health, and social work, all made it seem impossible that we should have a report unfavorable to the plan from the committee which heard this testimony. This feeling, I am sure, was shared by the public, and it was shared by a great many doctors.

But this feeling of assurance, Mr. President, had left out of account something new that has been added to the American Medical Association—something called Whitaker & Baxter.

As the junior Senator from Minnesota has pointed out, all the big guns against this plan were kept carefully muzzled until the very last day of the hearings. It may have been only coincidence, but if it was a plan it was carefully laid and well executed. It would do credit to Machiavelli.

Suddenly, at the very close of the hearings, the AMA changed its signals. A pinch-hitter was sent in, Dr. Francis J. Borzell, speaker of the House of Delegates, the so-called democratic governing body of the American Medical Association. The cloak of Dr. Miller's calm reasonableness was cast aside. Dr. Borzell made it crystal clear that the American Medical Association had no intention of standing behind Dr. Miller's testimony. He made it clear that the American Medical Association was willing and ready to smash any plan for reorganization if, by any remote stretch of a publicity man's twisted imagination, they might do some incidental harm to the President's health program. If, by defeating Reorganization Plan No. 1, they could embarrass the President and Oscar Ewing because of their advocacy of national health insurance, they were out to do it.

A governmental need? More economical operation? More effective and efficient service to the people? While these are consummations as devoutly to be wished by the average doctor as by any other public-spirited citizen, they have never meant very much to the hierarchy of the AMA, and they mean nothing whatever to the chromiumplated publicity firm of Whitaker & Baxter. This is the team which the rulers of the AMA hired at a fancy figure to be their ministry of propaganda and public enlightenment. They are now in command of the biggest, most powerful, and most unscrupulous lobby in America, the \$3,500,000 lobby which the AMA set up to tell the doctors, on the one hand, what they are to give, and to tell the American people on the other what they are to get.

In the long run, I sincerely believe that the American Medical Association is digging its own grave, and that in the end every doctor in America will regret the blindness and arrogance their leaders are demonstrating today. But this is of no concern to Whitaker & Baxter. They never miss a trick to keep the iron hot, to justify and perpetuate their six-figure income. They have a good thing.

For their purpose, Reorganization Plan No. 1 looked like an ideal target. As every fuhrer knows, you must always have a target if you are to keep the boys in line, keep them hating, and keep them giving. What difference does it make that Reorganization Plan No. 1 has no more to do with health insurance than with Barnum & Bailey's circus? Oscar Ewing is involved in it, and he is for health insurance. Ask no more questions; that is enough.

Thus, a legitimate, well-planned, and sorely-needed overhaul of governmental machinery is made the target of hate, misrepresentation, distortion, half-truth, and downright falsehood; and the intentions of men of good will are turned into a campaign of personal vengeance directed at one man.

This is the only logical explanation, Mr. President, for the curious chain of events which confronts us. First, the official spokesman for the AMA allays the doubts and fears of those broadly representative groups which support a

Department of Welfare, by mild and temperate testimony in which he endorses the proposal as the AMA's third choice. Most supporting groups, therefore, merely file statements or letters with the committee. They do not testify. Not one important witness testified against the plan, except for the Senator from Ohio [Mr. TAFT], who, on the next to the last day of the hearings, opposes it and expresses the belief, which he has always held, that there is no substantive relationship between the functions of health, education, and security.

Let me make it clear that I do not believe for a moment that the Senator from Ohio was involved in any way in the American Medical Association's lobby strategy. Nor do I believe that the other sponsors of Senate Resolution 147 were involved in it. They have their own reasons for opposing Reorganization Plan No. 1. I disagree with them, but I respect them, and I do not in any way question their motives.

But I do question the motives of Whitaker & Baxter, and of the AMA. Up to the very last day of the hearings, Mr. President, all was quiet on the reorganization front. Then suddenly, on Friday morning, July 29, the final day of the hearings and too late for supporters of plan No. 1 to counter effectively, Whitaker and Baxter fired all their guns. A flash flood of telegrams poured down upon the committee, its members, and upon other selected Senators who, it was thought, might be influential with the committee. These telegrams were as much alike as the propaganda posters placed by Whitaker & Baxter in the doctors' offices, telling us to "keep politics out of this picture."

On the same day Dr. Borzell testified. On the same day Dr. Robert E. S. Young, president of the Association of American Physicians and Surgeons, inserted in the record of the hearings a supplementary statement supercharged with falsehood, misrepresentation, innuendo, and half truth, all calculated to leave the impression that Oscar Ewing was out to establish a dictatorship in America through the medium of the Department of Welfare proposed in Reorganization Plan No. 1. The Association of Physicians and Surgeons is not a professional organization devoted to the science and practice of medicine, as its name might indicate. It is purely and simply a propaganda arm of the American Medical Association which was set up recently as the successor to the National Physicians Committee after that organization had been thoroughly discredited because of a blatantly anti-Catholic, anti-Semitic letter appealing for support.

Since then this campaign has continued unabated, supported by all the power of the richest lobby on record, a lobby which has spent \$508,000, by its own admission, in the last 6 months alone. Tomorrow this flood will recede as swiftly as it rose; Whitaker and Baxter will turn the faucet off.

That is the real story, Mr. President, of this attempted coup de grâce upon the Government of the United States.

It is hard to believe that any minority, any privately organized group of Amer-

ican citizens, would look upon the structure of their own Government so cynically, would take the working of that government so lightly that they would seek deliberately to knock out an essential cog of the machinery in order to wreak their petty vengeance upon one man. It is even harder to believe that any group would be presumptuous enough to undertake such a task, or powerful enough to feel justified in giving it a serious thought. But this is not an ordinary lobby. In size it is unprecedented. In financial resources it is unmatched. In arrogance and plain, unadulterated gall it appears to be limitless. Let me give a few illustrations of how it works.

When the American Medical Association lobby saw that the popular demand for a national-health program was spreading through the country, it decided that the time had come to stop it by any means. There was no thought, of course, of meeting the demand, but only of squelching it. Therefore, the lobby levied an assessment of \$25 on each of the 145,000 doctors who make up the membership of the AMA's component medical societies.

Not all the doctors contributed. The latest published statistics show that only \$2,000,000 of the intended \$3,500,000 has thus far been collected. But the AMA is not worried. The others will come through. There are ways to convince them that they should, for their own self-interest. Meanwhile, there are plenty of other sources. A great deal has already been contributed in the form of services and materials from such organizations as the United States Chamber of Commerce, the National Association of Manufacturers, and their respective satellites. These contributions are not gifts. They are a form of exchange, for the AMA has given equivalent value in return, through its opposition to social security, to minimum wages, and to much other proposed legislation which the NAM and the Chamber of Commerce oppose.

Whitaker & Baxter have also let it be known that they are going to take on the whole administration in league with all its other enemies, and already have circularized the doctors in some key areas to contribute to and otherwise support administration opponents in coming elections. Yet the AMA's lobby fund is tax-exempt, on the ground that it is educational.

But this is not all. The AMA sees no reason why its own cash outlays should be limited to \$3,500,000. In fact, a resolution was drawn up at the AMA convention this summer in Atlantic City which calls for the payment, beginning in 1950, of regular annual dues to the parent organization of the AMA through its State and county societies, these funds to be earmarked for the lobby. So any doctor who, having paid in his \$25 tribute, thinks he is finished with this business, should now be disillusioned. If not, he may be in for a rude shock later.

All of this money is for propaganda. The intention, which is now being carried out, was to plaster the Nation with posters, billboards, broadsides, pamphlets;

to din into our ears by radio, and to use all the other techniques by which toothpaste and body deodorants are sold, in order to scare the living daylight out of the American people by painting "red" anybody who dares to suggest that something ought to be done to make decent medical care available to them.

There are many, many doctors in America who do not like the manners of this lobby, who resent the demeanment of their profession in the hands of political hucksters. There are doctors who resent being told that they must give themselves over to the high art of selling insurance and open their offices to the uses of propaganda, handing out throwaways in the manner of quacks in a medicine show. There are doctors who believe an evil thing is being done to their profession when it is induced to abandon ethical standards that have stood for generations, until the day when the soap-sellers and the press agents were invited to take over.

But these doctors had no vote on the question when the American Medical Association decided to put its fate, and their money, in the hands of the publicity firm of Whitaker & Baxter. That was a decision of the ruling power in the AMA, a small minority comprised mainly of specialists reporting salaries above \$50,000 a year, and including a mere handful of busy general practitioners and not one struggling young physician.

The minority is the "old guard" of medicine, and the structure of the AMA is such that they have been able to entrench themselves with tremendous and disproportionate powers. The decisions of organized medicine are their decisions; the voice of organized medicine is their voice. The thousands of hard-working country doctors and progressive young physicians in the cities must accept those decisions quietly. They have no effective choice.

Thus, when Whittaker & Baxter registered themselves as lobbyists in Washington at \$9,000 a month, the rank and file of the medical profession could only be nauseated in silence. When Whitaker & Baxter revealed the paid advertising techniques by which they hoped to bribe the Nation's press into editorial opposition to the national health program, the men whose money was to pay the bribe could only dig down, fearful of the many reprisals that could be brought against them by their local medical societies.

Let me give you just one example, Mr. President, which I believe will come as something of a shock to many Senators, as it did even to me—and I am used to this kind of thing. It will not be a surprise to my good friend, the Senator from Minnesota [Mr. HUMPHREY], for it occurred in his State. Last May, the Minnesota State Medical Association met in annual convention. At that meeting the house of delegates passed a resolution which amounted to an open bribe to the press of the State, and was, in fact, an abandonment of ethical standards which the medical profession has held sacred for more than 100 years. The resolution explained that whereas the press resented having to bear the

burden of indirect publicity for the doctors' campaign against the national health program without remuneration, doctors in Minnesota henceforth would be allowed to insert professional cards as paid advertising in local newspapers.

Mr. President, I am sure that we all know what this means. I am sure that all my colleagues appreciate the importance of the time-honored prohibition of doctors' advertisements, as a means of keeping quacks and commercialism out of the practice of medicine, and of protecting the public against the blandishments and false claims of fakers. Yet, so intense has been the pressure on the doctors from their lobby headquarters that they willingly sacrificed the very ethics of their own profession in order to maintain the flow of free publicity in the columns of the press. The possibility that the press might not respond, apparently was not even considered. For the good of America, I hope the honest newspaper publishers of the Nation will reject this bribe and will condemn it for the despicable action which it is. Unfortunately, they have not been quick to do so.

Another example, Mr. President, was the offer by the AMA, about a year ago, of a substantial cash prize to the cartoonist who would submit what the AMA considered to be the best cartoon against national health insurance. Entries were limited to cartoons actually published in the newspapers for which the cartoonist worked. On this occasion the press responded quickly. This was a bribe, not of the press itself, but of the cartoonists; and Editor & Publisher, the trade journal of the press, promptly rebuked the AMA. The contest fizzled out, as a result.

These incredible violations of professional integrity are countenanced because the ethics of medicine have been placed at the disposal of hucksters. I grant that the publicity firm which now determines the public policies of American medicine is zealous enough. Within its own profession of propaganda and lobbying, I think it has earned the honorary degree of D. P.—Doctor of Propaganda. But of the medical profession, of its high ideals, of its very reason for being, it seems not to have gained the slightest conception.

What I have sought to give you, Mr. President, is a little character testimony on the principal witness against Reorganization Plan No. 1. I know the witness intimately. The American Medical Association was my chief opponents in the election last fall. I know their methods. I also know that they have very little influence at the ballot box; in fact, their opposition got me so many votes that I won last fall by the largest majority I ever received. The people of this country simply will not tolerate such arrogance, and I am confident that the Senate will not tolerate it, either.

One other point: In a recent hearing on this question, Mr. Ewing was accused of perpetrating an insult for even suggesting that an attempt was being made by the American Medical Association's lobby to influence a Senate decision. Mr. President, while all of us know the foolhardiness of any person or any group

who makes such an attempt, it appears that not all of us know the overweening arrogance of the organization Mr. Ewing had in mind.

I say that such an attempt has been made on this body, and is still being made. I say that Mr. Ewing's hope that the United States Senate would prove impervious to the raw pressure of that lobby was a hope wisely harbored.

More important, however, than the character and aims of the American Medical Association's lobby; more important than the opinion polls showing popular sentiment running 2 to 1 for a Department of Welfare; more important, even, than the issue of Government reorganization, is the question: What price America? How much money does it take to enable any one special interest to dictate the administrative form of a United States Government department?

To organized medicine, I say that all the money in the world, all the political influence it might exert if every one of the Nation's 180,000 doctors were solidly behind it, would not be enough for that.

If this richest and most powerful lobby in America is able to dictate what we shall do in fashioning one sector of our Government, where will its power stop? If it is permitted to tell the American people that they cannot have a Department of Welfare, why should it not be able to abolish the Antitrust Division of the Department of Justice, as some of its recent allies would like very much to do?

The decision we face, when this issue is brought to a vote, is not whether to affirm the wisdom of placing a Department of Welfare within the ranks of other departments of our Government. That wisdom has been affirmed and reaffirmed. We are asked to decide, rather, whether the Government of the United States can be purchased.

Whence, Mr. President, does the insult come?

Mr. FLANDERS. Mr. President, I wish to speak very briefly on the question of the extent to which Reorganization Plan No. 1 follows the Hoover Commission recommendations. I find that it differs in a number of particulars and to a large extent.

In the first place, the Department of Welfare under Reorganization Plan No. 1 omits one of the bureaus which were assigned to it by the Hoover Commission report. That is the Bureau of Indian Affairs. Furthermore, the Food and Drug Administration, which, under Reorganization Plan No. 1, is left in the Department of Welfare, is by the Hoover Commission report assigned to the Department of Agriculture. Furthermore, the proposed legislation calls for the retention in the Department of Welfare of the Bureau of Employment Compensation, which by the Hoover Commission recommendations was assigned to the Department of Labor. Plan No. 1 also calls for the retention of the Employees' Compensation Appeals Board in the Department of Welfare, and that agency likewise was assigned by the Hoover Commission recommendations to the Department of Labor. Plan No. 1 also calls for the retention in the Department of

Welfare of the Division of Industrial Hygiene, which likewise was by the Hoover Commission report assigned to the Department of Labor.

Mr. President, I can see no reasons why the Department of Welfare should have all those agencies carried over bodily into it, when some of the agencies could have been left in the appropriate places in which the Hoover Commission report placed them.

I believe there is something also to be considered in connection with the item which has had the most discussion on the floor up until now. That is the location of the Public Health Service. The point was made by the junior Senator from Minnesota that there was no place in which to put the Public Health Service, that the United Medical Administration had not yet been created, so that, with no place to go, it should be placed under the proposed Department of Welfare. It seems to me, Mr. President, there would be more strength to the argument were it not for the fact that the proposed reorganization plan does set up a completely new department with Cabinet status in the form of a Department of Welfare. It, for the first time in the history of the Government, establishes by administrative action a new department of the Government, with its head a member of the President's Cabinet. If the reorganization plan can accomplish such a radical and hitherto unknown step as this, it seems to me it might well have set up at the same time the proposed United Medical Administration, so that the Public Health Service would have a place to go, to which place the Hoover Commission report assigned it.

That leads me in conclusion to raise a question, which I do not feel I have the legal knowledge or experience in Government to answer. It is the question as to whether it is legally possible to establish by administrative action a new, full-fledged department of the Government having Cabinet rank. I raise that question, Mr. President, and I leave the answer to others more skilled in the law and in governmental affairs.

Mr. LODGE. Mr. President—

The PRESIDING OFFICER. Since it is necessary that time be kept in connection with the debate, the Chair requests the Senator from Massachusetts to state how much time he expects to use.

Mr. LODGE. I expect to take about 10 minutes.

The PRESIDING OFFICER. There is, of course, no limitation.

Mr. LODGE. Mr. President, in the first session of the Eightieth Congress there was passed by unanimous vote in the House and in the Senate, Public Law 162, which created the Commission on Organization of the Executive Branch of the Government. Every Member of the Senate and of the House, Republican and Democrat, voted for it. It was signed by a Democratic President and became a law. Four members were appointed to the Commission by the Speaker of the House, four by the President of the Senate, and four by the President of the United States. Of the 12, 6 were Democrats, 6 were Republicans.

They were men of the highest caliber, as I think is generally recognized. They submitted a report, which is the report of the Commission on the Organization of the Executive Branch, and inasmuch as I was the Senate author of the bill which created the Commission, I feel I would be negligent in my duty if I did not say a few words at this historic moment when we are confronting the first reorganization order to come before us as a result of that report.

I take it there is no question that former President Hoover, the Chairman of the Commission on Organization of the Executive Branch, is in favor of Reorganization Plan No. 1. The telegram which was read into the RECORD an hour or so ago makes that clear, and the testimony in the official record makes it clear. The fact that Mr. Hoover says he regards Reorganization Plan No. 1 as a first step cannot, it seems to me, be twisted into an argument that what it proposes should not be done because it does not at the same time undertake the second step. I think the second step should be taken; I can even agree it would be preferable if the first and second steps were taken together; but I cannot agree with the argument that, because the second step is not undertaken simultaneously, we therefore should not take the first step. If the President and those who are in the majority in Congress are unwilling to take the second step, then the country will know where to put the blame for the failure; but we ourselves should not make the error of refusing to take the first step.

The more one reads the record, the less able he is to find anything in it which indicates any belief on the part of Mr. Hoover that it would be in any way impossible to remove Federal health and medical functions from a department of welfare and set them up in the proposed United Medical Administration, as has been claimed here by those who are opposed to Reorganization Plan No. 1. I think it is worthy of note that when Mr. Hoover speaks on this subject he does not merely speak for himself; he speaks as the spokesman of the Hoover Commission. He speaks as the spokesman of a commission which had the advice and the help of a task force, so-called, on medical services, which included some very distinguished and prominent names in the medical field. I should like to read the names of the members of the task force on medical services:

MEDICAL SERVICES

Chairman: Tracy S. Voorhees, president, the Landon Island College Hospital, and special assistant to the Secretary of the Army.

Committee: Dr. O. H. P. Pepper, professor of medicine, University of Pennsylvania; Dr. Hugh Jackson Morgan, professor of medicine, Vanderbilt University; Dr. W. C. Menninger, the Menninger Foundation, Topeka, Kans.; Dr. Ray Lyman Wilbur, Standard University; Dr. Frank R. Bradley, director of Barnes Hospital, St. Louis, Mo.; Dr. R. C. Buerki, director of hospitals, University of Pennsylvania; Charles Rowley, former trustee of Massachusetts Investors Trust; Henry Isham, president of the board of trustees of Passavant Hospital; Dr. Paul R. Hawley, former Chief Medical Director, Veterans' Administration; Dr. Michael DeBaKey, associ-

ate professor of surgery, Tulane University, New Orleans, La.; Dr. Allen O. Whipple; clinical director, Memorial Hospital, New York City; Goldwaite H. Dorr, of Dorr, Hammond, Hand & Dawson, New York City, former special assistant to Secretary of War Stimson; Edward D. Churchill, M. D., professor of surgery, Harvard Medical School, Harvard University; Alfred Newton Richards, vice president in charge of medical affairs, University of Pennsylvania.

Secretary: Read Adm. Joel T. Boone, secretary of the Secretary of Defense's Committee on Medical and Hospital Services of the armed forces.

That is the membership of the task force on medical services which advised the Hoover Commission. I am not undertaking to say they are in favor of every word of Reorganization Plan No. 1, but I think it is very significant that nothing has been heard from any of these men which in any way opposes or seeks to prevent the going into effect of Reorganization Plan No. 1.

Mr. President, I speak with the utmost respect for those who are opposed to the plan. As a matter of fact, I say frankly I see very little to be gained by the charges of lobbying which have been made in the course of this debate. I imagine that some lobbying is being done on both sides. So far as I am concerned, I have received telegrams and letters on both sides. But I get telegrams and letters on both sides of every question. No one in this particular dispute has in any way tried to put any improper or excessive pressure on me. I believe we can make greater headway if we agree that persons on both sides of this issue are acting in good faith and that they are not indulging in any improper tactics.

From reading the list of the physicians who were on the medical task force of the Hoover Commission, it will be seen that very eminent physicians are on both sides of the question.

I should like to read a few excerpts from the testimony regarding Reorganization Plan No. 1 in order to substantiate the contention which I make that the plan is entirely in accord with the recommendations of the Hoover Commission. Here is former President Hoover's statement on the President's reorganization plan, generally:

I might say generally that the task of reorganization of the executive branch proved on investigation to go much further than can be carried out by any delegated authority to the President, and that, while I entirely agree and support these plans, I do want to emphasize the fact that if we are to have real organization, it is going to be necessary in practically every case to have definite legislation of important and searching order.

That question, I think, underlines the point which I have been trying to make, that Mr. Hoover favors this plan and he also favors definite legislation. No one can find any conflict between the two. On the contrary, one is supplementary and complementary to the other.

Here is the recommendation of the Hoover Commission on United Medical Services:

The task force on medical services was instructed to base its original report on the premise that "the Commission will recommend a Cabinet Department embracing

health, education, and security." However, in view of the size of the medical operations of the Federal Government and the extreme dissimilarities among the activities which would have composed such a department, the task force was later requested to consider the advisability of placing medical-service functions in a single agency. Its supplementary report very strongly favors a separate United Medical Administration.

Here is a further statement by Mr. Hoover:

In order to carry out the Commission's recommendations, it is necessary to set up a United Medical Service Administration in the Government before the health functions in the Federal Security Agency can be transferred. The creation of that agency, I am advised, will require specific legislation before the President could transfer agencies to it.

There is no inconsistency there. He simply says that we must establish a United Medical Service Administration before we can transfer functions. There is nothing which says that in the meantime we should not transfer these functions to the Department of Public Welfare until the United Medical Administration is established.

In response to a question in the Committee on Expenditures in the Executive Departments as follows:

Does Plan No. 1 ignore the Commission's recommendations?—

Mr. Hoover said:

I do not think the President has ignored the recommendations, because the whole problem of reorganization is so greatly interlocked.

Later on the Senator from Wisconsin [Mr. McCARTHY] asked this question:

Senator McCARTHY. Do I understand, then, that your thought is that Plan No. 1 is definitely a step forward, and that when we pass the necessary legislation to make it possible that can be improved to the extent that it will conform substantially to the Hoover Commission's recommendations?

Mr. HOOVER. They can be if the rest of the program is carried out, yes.

The Senator from Louisiana [Mr. LONG] asked this question:

Senator LONG. Do you find any conflicts in the President's plans as submitted with the recommendations of the Commission that you headed?

Mr. HOOVER. No; there are no substantial conflicts. These are steps in the same direction.

Later on the Senator from Louisiana [Mr. LONG] asked this question:

Senator LONG. What I had in mind, for example, is the difference in the proposals here on the organization of the Department of Welfare; that includes various agencies, I believe, that you had not recommended be included in one department. I understand, for example, you had not recommended that these other functions be included with the education and social-security functions.

Mr. Hoover said:

Mr. HOOVER. We recommended that a new agency, for instance, be set up, to be called the United Medical Services, that would embrace the public health and hospital services of the country. That, I am advised, could not be done without a special act of Congress. Therefore, it is no criticism of the President's plan to point out that those bureaus cannot be transferred at the present moment.

In the Washington Post of yesterday there appeared an editorial, a few brief statements in which I should like to cite, and which I think illuminate the whole subject. The editorial is entitled "Reorganization Peril," and it says:

Failure to approve these important plans * * * would imperil the rest of the reorganization program. "Every special-interest group concerned with the operation of the Government"—

The editorial quotes the President as saying—

"will be encouraged to try to block further steps toward efficiency and economy."

* * * Critics fear that the establishment of a department of welfare would result in introduction of compulsory health insurance, and that health functions would be assigned to the new department under the direction of the present head of the Federal Security Agency. As a Cabinet member, it is claimed—

We have heard it claimed today—

It is claimed that official will have a great deal of influence over decisions as to the placement of health, hospitalization, and related governmental activities.

* * * If the Senate were to act on the basis of such fears, the rest of the Hoover program would have hard sledding, for every proposal for strengthening the Government organization is necessarily based on the assumption that the officeholders who are responsible for the execution of the reforms are trustworthy and reasonably competent. If Congress turns down reforms that experts regard as essential simply to keep officials "in their place," wasteful and obsolescent organizational patterns cannot be discarded.

The editorial says, further, that these reorganization plans—

would not change governmental policies with respect to employment or health matters.

Those matters await legislative action by Congress.

The editorial continues:

It is absurd * * * to jump to the conclusion that the creation of a department of welfare would limit the freedom of Congress to determine national-health policies.

Mr. President, I am opposed to socialized medicine, which I define as meaning a system which results in lowering the standards of medical care, in lowering the standards of medical education, in depriving a patient of the choice of his doctor, and in establishing a system whereby every "gold bricker" can get space in a hospital, with the result that a really sick person cannot receive care. If that is what is meant by socialized medicine, then I am opposed to it.

I do not happen to know Mr. Ewing, and I certainly hold no brief for him. What I read about him leads me to the conclusion that he has caused a great deal of justifiable uneasiness in the minds of persons who are leaders in the medical professions, many of whom are not unreasonable and stiff-necked, and who are willing to take imaginative and unselfish measures to bring the Government into a helpful relationship with public health. But it occurs to me that if we do not like Mr. Ewing, we have a chance to express our approval or disapproval of him when his nomination comes before the Senate for confirma-

tion. We cannot view the whole question of Government reorganization simply on the basis of whether we like or do not like a particular official.

I think the Presiding Officer remembers very well that early in this session, when we were considering a general legislative power to be given the President to reorganize, on two occasions I objected to the efforts of the Army engineers to use pressure to exclude themselves from the operations of the Reorganization Act. Later, during the winter, I noted in the newspapers the attempts of some interests to see to it that certain financial activities of the Government, the FDIC and the Federal Reserve, I believe, should be exempted from the operations of the law. I objected to that, because I think that if we are to have any reorganization at all we have to reorganize everything, and cannot make exceptions.

Certainly if, as the author of the bill creating the Hoover Commission, and as one who had objected to the making of exemptions for the Army engineers and exemptions for the FDIC and the Federal Reserve, I were now to yield to the fears being expressed it would not only put me in an inconsistent position, which is not very serious for anyone except myself, but it would raise a very great doubt in the minds of citizens all over the country as to whether or not the over-all task of reorganizing the Government had any future at all.

What is at stake here today is really not the public health of the American people. If that were at stake, it would be an utterly vital question, and we should decide it entirely on its own merits, without regard to anything else. But the public health of the American people is not at stake here today. What is at stake is the fate of Government reorganization. Involved in the fate of Government reorganization is the question of the whole future of economical and efficient government in the United States.

We cannot repeat too often that the reason for the downfall of popular government in so many other countries of the world has been that those governments were ineffective and inefficient in meeting the issues of the day, and in translating into effective action the aims of the people. If our free system is to survive, and if we are to continue to have a democratic form of government, the Government has to be made economical, it has to be made efficient. With the people so burdened as they are by taxes, with the burdens of government so enormous as they are, we simply cannot afford to go on carrying a lot of waste. In these times of crisis, when we demand great tasks of the Government and great performance by the Government, we cannot go on having the Government organized in a way which is not efficient. That is what is at stake here today.

Therefore, Mr. President, so far as one Senator is concerned, only a very compelling reason would persuade me to vote against this first reorganization order, and, with all due respect to those who are opposed to it, I do not think that such a compelling reason has been alleged.

Mr. DONNELL. Mr. President—

Mr. McCLELLAN. I yield 20 minutes to the Senator from Missouri.

The PRESIDING OFFICER. The Senator from Missouri is recognized for 20 minutes.

Mr. DONNELL. Mr. President, the plan which is before the Senate for consideration and action today does two things, among others. One of them is to change the name of the Federal Security Agency to the Department of Welfare. The second is to constitute that Department an executive department. There are provisions with respect to who shall appoint the head of the Department, what his salary shall be, what his functions shall be, but I submit that the two fundamental things which are done are merely to change the name to the Department of Welfare, and to constitute it an executive department.

Are there any differences in the functions which are to be performed by this executive department from those which are now performed by the Federal Security Agency? The answer is, "No." The President of the United States, in his letter of transmittal of Reorganization Plan No. 1, said:

This new Department will perform the functions and conduct the programs now administered by the Federal Security Agency.

The Director of the Budget, referring to the Federal Security Agency, said:

No functions would be added to it by this particular plan and no functions will be subtracted from it.

In other words, as Mr. Pace so concisely said, there will be no additional functions, nor will there be any subtraction of functions, after this process of the creation of an executive department, which is a Cabinet position, shall have been effected.

Mr. Ewing, who is now the head of the Department, said in his testimony:

No new activities or functions are added or subtracted. The Department of Welfare will simply continue to carry on the identical activities now being conducted by the Federal Security Agency, except, of course, as they may be modified by Plan No. 2 and other plans that may be subsequently submitted and allowed to go into effect.

Mr. President, we have before us for action by the Senate, as I see it, primarily that to which the Senator from Vermont so concisely and modestly alluded, namely, the creation of a Cabinet office. I wish to address myself very modestly, too, to an attempt to answer the question which the Senator from Vermont placed before the Senate, namely, as to the legality of the creation of a Cabinet office by the proposed reorganization plan now under consideration.

I have in my hand what I may term the fundamental act underlying this plan. That fundamental act is the Reorganization Act of 1949. After setting forth various things in section 3, it says, "Whenever the President, after investigation, finds it necessary to accomplish one or more of the purposes of section 2" of the act, his power is then defined. He has no power created by this act except as defined in section 3. All other provisions

of the act are ancillary to that, and his power with respect to the proposed reorganization plan which is here sought to bring about the creation of a Cabinet office is set forth in these simple words:

He shall prepare a reorganization plan for the making of the reorganizations.

Does the making of the reorganizations include the creation of a Cabinet office? What does the word "reorganization" mean as defined in the act itself? Section 8 reads as follows:

For the purposes of this act the term "reorganization" means any transfer, consolidation, coordination, authorization, or abolition, referred to in section 3.

Mr. President, I submit that section 8 does not include the creation of anything. It does not include the creation of an executive department.

The term "reorganization," as I have indicated, means a transfer. Someone may say, "Well, the proposed reorganization plan contemplates and provides for a transfer from the Federal Security Agency to a new Cabinet department of certain functions." Yes, Mr. President, that is true, but before the transfer can be made it must be necessary to create the transferee. True, by the proposed reorganization anything may be transferred from the Federal Security Agency to the Department of the Interior, to the Department of Commerce, to the Department of Labor. They are existing transferees. But before a valid transfer can be made to a new Cabinet department there must first be created that Cabinet department. I submit most earnestly that the Reorganization Act of 1949, Public Law 109, does not give to the President the power to create a Cabinet position.

Mr. HUMPHREY rose.

Mr. DONNELL. Mr. President, I yield with the understanding on the part of the Senator from Minnesota that I have only 20 minutes of time allotted me, and I have quite a considerable amount to cover.

Mr. HUMPHREY. I should like to ask the Senator if he is familiar with the committee report?

Mr. DONNELL. I am, and I shall discuss it.

Mr. HUMPHREY. On pages 7 and 8 of the committee report it is noted that the Reorganization Act of 1945 contained a prohibition against new executive departments being created under the reorganization plan, but then the report went on to say:

At least one agency—the Federal Security Agency—has been established by plan which obviously is of departmental magnitude and importance and should have been designated as an executive department. No good purpose has been served by the old prohibition.

Is it not then true that, in the judgment of the committee as set forth in the committee report, and from an examination of the legislative history, the prohibition against the creation of an executive department had been removed, and that an open invitation was literally extended to the President to do just what has been done? Is not the legislative

history quite clear that there were actual proposals for the establishment of a Department of Welfare, which were withdrawn because of the Reorganization Act of 1949?

Mr. DONNELL. I will answer the Senator by saying that I had fully intended to discuss that point, and had marked page 16, which, to my mind, presents very clearly the point to which the distinguished Senator from Minnesota alludes. I want the Senate to hear it. This is from the committee report filed April 7, 1949, by the Committee on Expenditures in the Executive Departments. It says:

The committee rejected the provision contained in section 5 (1) of H. R. 2361—

Which was the bill corresponding to the Senate bill—

prohibiting the creation of new departments. This was in line with the above-outlined position designed to place no restrictions on the President in the submission of reorganization plans, and will—

I call the Senate's attention to this language—

and will prevent the submission of reorganization plans calling for the establishment of new departments with Cabinet rank.

It is perfectly clear that that is what was said in the report of the committee. I have no doubt that the Senator from Minnesota is entirely correct in his thought that the committee—or at least whoever drafted the report—had in mind the removal of the prohibition. I may say that every Senator upon the floor realizes that a large proportion of the reports which come to the Senate and are presented by Senators are prepared by members of staffs and not by the Senators and do not necessarily represent the conclusion of the Senators. I am quite willing to agree with what the Senator has said, namely, that the indication is very clear that the committee had in mind that the removal of a prohibition against the creation of an executive department was designed to vest in the President the power to create such an executive department by a reorganization plan.

But, Mr. President, there are many statutes, many acts of Congress which have been defective. I fully realize that a court might sustain the position based solely on the legislative history to which the Senator from Minnesota alludes, and might take the view that in light of that legislative history the conclusion of the court should be that the President does have the power. I am not saying dogmatically that the court would decide as I have laid down what I think is the meaning of the statute. But I nevertheless say that after we read the statute itself which, after all, is what was crystallized after the committee report, what was passed by Congress, what the Senate wanted to do, and presumably did do, there is nothing in the statute, as I read it, which gives the President the power to create an executive department.

Mr. President, I say it is entirely possible that a court might take the view arrived at from a study of the legislative

history to which the Senator from Minnesota alludes, and I should not be greatly surprised to see at least some judges take that position. I am not inferring against any judges. I mean the human mind varies, so one person sees one side and the other sees the other. But I undertake to say that to my mind, when I read in the act that—

For the purpose of this act the term "reorganization" means any transfer, consolidation, coordination, authorization, or abolition, referred to in section 3.

The creation of a new department is not encompassed by any of that language. If the Reorganization Act is to be read and construed according to what it says, the answer to the Senator from Vermont is that the President has no power under the Reorganization Act.

Mr. President, in view of the point raised by the Senator from Minnesota and the point raised by me, I submit that it may be reasonably expected that if the reorganization plan shall be adopted, litigation will be absolutely necessary to determine whether or not the President does have this power. That litigation may result favorably to the contention of the Senator from Minnesota. It may result favorably to the contention which I have asserted. But to my mind it is as clear as that 2 and 2 make 4 that no one can say with positiveness today, without the prospect of litigation, that if the plan shall be approved by the Senate of the United States the power will have been validly conferred upon the department so created or undertaken to be created by this particular plan.

Mr. President, what is to be accomplished by this particular reorganization? The President does not tell us.

He says in his letter of transmittal:

I have found and hereby declare that each reorganization included in this plan is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1949.

Those purposes are set forth on the first page of the act. What are the one or more of the purposes therein set forth that the President had in mind, and why did he not specify what those purposes are which the plan is necessary to accomplish? Will it accomplish a dollar savings? Will it bring about any contribution to the economical administration of the Government? Mr. Pace, the Director of the Budget, said:

Either to state exactly how that will occur or what the dollar savings might be would be both impossible and impracticable.

Then he continues:

It will accomplish no immediate saving.

It is entirely possible that the plan may accomplish some saving. Yet it is very difficult to see how merely turning the agencies into a Cabinet Department with precisely the same functions and duties as exist under the existing law, will effect any very great or material saving.

It is going to accomplish an abolition of duplication? Mr. Pace, Director of the Budget, says:

Specifically I cannot specify that duplication does exist.

Mr. President, there may be some good results to be expected from this plan. I have no doubt the President thinks so. But what are they, and what proof does the Senate have that such results will be produced?

The distinguished Senator from Minnesota [Mr. HUMPHREY] took the view—and vigorously and eloquently sustained it to the very best of his ability—that to defeat the plan would be to weaken the first plan to carry out the program of the Hoover Commission. The report of the committee, he says, does not charge that the plan is opposed to the recommendations of the Hoover Commission. To be sure, there is nothing in this report that says in so many words that this plan violates the Hoover Commission report, but I call attention to the fact that on page 6 of the report are these significant words:

Reorganization Plan No. 1 conforms to recommendations of the Commission on Organization of the Executive Branch of the Government in these aspects only—

I emphasize the word "only" as clearly indicating, as admitted here today, that there are other aspects in which the reorganization plan does not conform to the recommendations of the Commission on Organization of the Executive Branch of the Government. Indeed, it is as clear as the fact that 2 and 2 make 4 that there are important respects in which the provisions of this plan are positively and directly contrary to the recommendations of the Hoover Commission. We had read to us today a telegram from Mr. Hoover. It is true, as Mr. Hoover says, that:

I supported the President's seven plans as first steps—

I can understand how Mr. Hoover would have done that. I can see how he would not have wanted to place himself in the position of contending that these are not first steps, or in fact believing that they were not first steps. But how faltering they are. Mr. Hoover says in his telegram of today:

The recommended reorganization will, of course, not be effective until these further steps are undertaken.

We have been told that substantially the main points of the Hoover Commission recommendations have been adopted in this plan. To my mind, some of the main points in the Hoover Commission report have not been complied with in the plan, but on the contrary are directly opposed by the plan. Mr. Hoover says:

In our report on medical services we have recommended a separate United Medical Administration reporting directly to the President.

Again, he states:

That agency would embrace the major hospitalization, medical research, and public health activities of the Government.

He further states:

In our report on the Labor Department we recommended the return of several agencies now in the Federal Security Agency to that Department.

I see in the Chamber one of the distinguished members of the Commission

who was in the minority on some portions of the report of the Commission. I refer to the distinguished senior Senator from Vermont [Mr. AIKEN], who joined with two other members in stating:

We agree with the recommendation in the Commission report that the Unemployment Compensation and Employment Service functions should be transferred to the Department of Labor. They are labor functions, not welfare functions.

Turning to page 12 of the report, on social security, we find that the Commission itself—not the task force, but the Commission itself—states:

We elsewhere recommend the transfer from the present Federal Security Agency of the following: Bureau of Employees' Compensation, to the Department of Labor; * * * Employees' Compensation Appeals Board, to the Department of Labor; * * * Bureau of Employment Security, to the Department of Labor; * * * Public Health Service, to the United Medical Administration; Food and Drug Administration, partly to the Department of Agriculture and partly to the United Medical Administration.

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. DONNELL. Mr. President, may I have 3 minutes additional?

Mr. MCCLELLAN. Mr. President, I yield three additional minutes to the Senator from Missouri.

Mr. DONNELL. I thank the Senator.

If we do not create the United Medical Administration and put the medical services in a separate agency, what will happen? When we pass the legislation which we are told today should be passed in order to make it effective, what will be expected? A veto, which, as the Senator from Connecticut [Mr. BALDWIN] pointed out, will mean the necessity of a two-thirds vote in each House of Congress, as distinguished from a simple majority, in order to pass the legislation.

Why such haste in this matter? Why not comply with the Hoover Commission recommendations? Certainly if a new Cabinet office can be created, according to the contention of the Senator from Minnesota, by such a plan as this, a United Medical Administration can likewise be created, notwithstanding what the Senator from Massachusetts [Mr. LODGE] read as the view of some lawyers. Why not comply with the Hoover Commission recommendations, instead of taking them piecemeal?

It is perfectly clear to my mind that the President of the United States does not believe—I make no criticism of him—in taking out of the Federal Security Agency, whether it be a mere agency or a Cabinet agency, the power over health matters. That may be due to his own belief in compulsory health insurance. It may be due to the fact that Mr. Ewing, who is the head of the agency, and who, under this particular plan, is to remain for 60 days in this office, notwithstanding the fact that the Senate will not have passed upon him, will have certain advantages in the way of the possibility of future appointment as a Cabinet member. It may be because Mr. Ewing is so strongly in favor of compulsory health insurance.

The fundamentals of the Hoover Commission report—at least some of the fundamentals—are not carried out by this plan. Furthermore, in response to the question of the junior Senator from Vermont [Mr. FLANDERS], it was pointed out that there is serious doubt as to the power of the President to create the position of Cabinet officer under the power given to him by the Reorganization Act as it now exists.

Under those circumstances, and in view of the fact that we can take our time to study the recommendations of the Hoover Commission or enact a plan, or the President can present us with a plan which does follow those recommendations, I submit that the Senate should not vote today in favor of approval of Reorganization Plan No. 1.

Mr. HUMPHREY. Mr. President, at this time I yield 20 minutes to the distinguished Senator from Vermont [Mr. AIKEN].

The PRESIDING OFFICER. The Senator from Vermont is recognized for 20 minutes.

Mr. HUMPHREY. May I suggest the absence of a quorum?

Mr. AIKEN. So long as it does not come out of my time.

The PRESIDING OFFICER. It will be out of the Senator's time if it is suggested now.

Mr. HUMPHREY. Mr. President, I yield 25 minutes to the Senator from Vermont, and suggest the absence of a quorum. I think the Senate should hear what the distinguished Senator from Vermont has to say.

The PRESIDING OFFICER. The absence of a quorum is suggested. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hendrickson	Millikin
Anderson	Hickenlooper	Morse
Baldwin	Hill	Mundt
Brewster	Hoey	Murray
Bricker	Holland	Myers
Bridges	Humphrey	Neely
Butler	Hunt	O'Connor
Byrd	Ives	O'Mahoney
Cain	Jenner	Pepper
Capehart	Johnson, Colo.	Robertson
Chapman	Johnson, Tex.	Russell
Chavez	Johnston, S. C.	Saltonstall
Connally	Kefauver	Schoeppel
Cordon	Kennedy	Smith, Maine
Donnell	Kerr	Smith, N. J.
Douglas	Kilgore	Sparkman
Downey	Knowland	Stennis
Dulles	Langer	Taft
Eastland	Lodge	Taylor
Eaton	Long	Thomas, Okla.
Ellender	Lucas	Thomas, Utah
Ferguson	McCarran	Thye
Flanders	McCarthy	Tydings
Frear	McClellan	Vandenberg
Fulbright	McFarland	Watkins
George	McKellar	Wherry
Gillette	Magnuson	Wiley
Graham	Malone	Williams
Green	Martin	Withers
Gurney	Maybank	Young
Hayden	Miller	

The PRESIDING OFFICER. A quorum is present.

Mr. AIKEN. Mr. President, because of the limited time, I shall not be able to yield during the remainder of the time available to me.

I think it has been rather unfortunate that in all the discussion of Reorganization Plan No. 1, considerable more heat than light has been generated. To judge from the talk we have heard about

this plan, one would think it had to do with socialized medicine, compulsory health insurance, or the virtues or lack of virtues which Oscar Ewing may possess.

As a matter of fact, those topics should not enter into the discussion of Reorganization Plan No. 1 at all, for it does not give any new powers to Mr. Ewing. It does not go a single step further toward compulsory health insurance, which I personally believe would be unwise, particularly at this time. Neither does it prevent the Congress from setting up a separate medical and hospital administration, if it so desires.

I have been somewhat disturbed over the interpretations given to the reports and recommendations of the Hoover Commission. As a member of that Commission, it was my privilege to work on the subcommittee which dealt with the very subject covered by Reorganization Plan No. 1, and also with the subject covered by Reorganization Plan No. 2, which will be before the Senate tomorrow.

Although Reorganization Plan No. 1 does not carry out in detail all the recommendations of the Hoover Commission affecting the Federal Security Agency, every change it makes in the present organization of that agency is in strict conformity with the Commission's proposals.

In its report on social security, education, and Indian affairs, the Hoover Commission unanimously recommends the creation of a new department to include most of the activities in the Federal Security Agency which deal with education and social security, plus the Office of Indian Affairs. Plan No. 1 simply constitutes the Federal Security Agency a Department of Welfare. This step is not in any sense in conflict with the Hoover Commission's recommendation, since it does not prejudice any Commission proposals for future transfers into or out of the Department.

Plan No. 1 is in complete conformity with all general principles of executive management laid down by the Hoover Commission in its first report.

The Commission recommends as a primary objective that—

The numerous agencies of the executive branch must be grouped into departments as nearly as possible by major purposes in order to give a coherent mission to each department.

Plan No. 1 carries out this recommendation by completing the departmental structure of the executive branch, thereby establishing the essential framework within which the purposes of the Reorganization Act of 1949 must be carried out.

The Department of Welfare—and I know there is objection to the name—makes 10 departments of government, which the Hoover Commission considered essential for the grouping of all the activities of the Government except those specifically exempted from departmental inclusion.

The major purpose of the new department is the preservation and development of human resources, a field of Government activity of such importance and

magnitude that there is no disagreement that it deserves departmental status.

The Commission lays down the principle that—

Within each department, the subsidiary bureaus should also be grouped as nearly as possible according to major purposes.

Plan No. 1 carries out this recommendation completely, since the subsidiary bureaus of the Federal Security Agency are clearly grouped in accordance with their major purposes, that is, education, health, social security, and so forth.

The Commission also lays down the principle that—

Under the President, the heads of the departments must hold full responsibility for the conduct of their departments. There must be a clear line of authority reaching down through every step of the organization and no subordinate should have authority independent from that of his superior.

That is a very vital factor to be followed in establishing good government anywhere.

Mr. McCARTHY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Wisconsin?

Mr. AIKEN. I do not have time to yield. I am sorry, but I only have so much time allotted to me. I should rather finish what I have to say.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. McCARTHY. I wonder whether the Senator will do this: I have 20 minutes' time coming up. I will assign some of my time to the Senator to make up for the time he yields to me. I think this is important. I will give the Senator a part of my time.

Mr. AIKEN. I should rather yield when I have concluded what I have to say, if there is any time provided from any source whatever.

Mr. McCARTHY. Very well. That will be satisfactory. I will give the Senator a part of my time.

Mr. AIKEN. Plan No. 1 carries out this recommendation by providing for a Secretary of Welfare to whom the functions of all officers and constituent units of the Department will be transferred, subject to delegation by the Secretary.

Former President Hoover, I am sure, must be interested in hearing all the discussions and arguments telling what he meant by his various statements and recommendations. But he concurs in the consistency between plan No. 1 and the recommendations of the Commission on Organization. On June 30 he testified on the President's Reorganization Plans before the Committee on Expenditures in the Executive Branch. He stated:

I wish to say at once that the seven plans are all steps on the road to better organization of the administrative branch. They are, insofar as they go, substantially in accord with the recommendations of the Commission on Organization of the Executive Branch of the Government.

The difficulty with this subject is that the President's authority under the Reorganization Act of 1949 is very limited. In most of these seven cases the full accomplishment of reorganization as recommended by the

Commission requires also extensive special legislative action. Either most of the seven plans must be regarded as simply preliminary steps, or must be absorbed, now or later, in full legislation if we are to effect the efficiencies and economies sought by the Commission.

SOME HOOVER COMMISSION RECOMMENDATIONS NOT INCORPORATED IN REORGANIZATION PLAN NO. 1

At least four different Hoover Commission reports deal, in whole or in part, with functions now carried on in the Federal Security Agency.

The report on Social Security, Education and Indian Affairs proposes the creation of a department to include functions of education and social security together with the Office of Indian Affairs, to be transferred from the Department of the Interior.

None of the first seven reorganization plans transfers the Office of Indian Affairs to the new department.

The report on Medical Activities recommends the transfer of the Public Health Service out of the Federal Security Agency and its incorporation in a proposed new hospital agency, the United Medical Administration.

As the Senator from Missouri [Mr. DONNELL] stated a few moments ago, there was a dissenting report on this matter within the commission itself. Messrs. Acheson, Rowe, and myself held that if this department were created, the public health activities which called for much more than medical and hospital services should be left within the Welfare Department, or whatever its name might be. This report on medical activities is not carried out in the first reorganization plan.

These and other reports recommend the transfer of the Food and Drug Administration, partly to the Department of Agriculture and partly to the United Medical Administration, and the transfer of the Bureau of Employment Security, the Bureau of Employees' Compensation and the Employees' Compensation Appeals Board to the Department of Labor.

Plan No. 2 carries out the proposal to transfer the Bureau of Employment Security; the other recommendations are not incorporated in these plans.

In other words, complete reorganization action for Federal Security Agency on the Hoover Commission recommendations involves a half dozen transfers out of or into that agency. These require further transfers for complete action on other affected agencies. In short, those who argue for multiple reorganization actions set up a chain reaction and progressively compound the opposition. This defeats all possibility of reorganization action.

REASONS WHY SOME HOOVER COMMISSION RECOMMENDATIONS ARE NOT CARRIED OUT IN REORGANIZATION PLAN NO. 1

Before the ultimate disposition of all the Government functions can be determined on an orderly and logical basis, it is necessary to establish the essential framework of the departmental structure. This is completed with the creation of the Department of Welfare, a step

which does not preclude, but instead will facilitate, any desirable transfer of functions into or out of such a Department.

Moreover, it is probable that it would require an act of Congress to provide for the complete and effective establishment of a United Medical Administration.

In reply to a question from Senator McCARTHY on the failure of plan No. 1 to transfer the Public Health Service to a proposed United Medical Administration, Mr. Hoover testified:

I do not think the President has ignored the recommendations of the Commission, because the whole problem of reorganization is so greatly interlocked. For instance, in order to carry out the Commission's recommendations, it is necessary to set up a United Medical Administration in the Government before the Public Health Service in the Federal Security Agency can be transferred. The creation of that agency, I am advised, will require specific legislation before the President could transfer agencies to it.

Mr. McCARTHY. Mr. President, I wonder whether the Senator will yield, on condition that I later yield him 5 minutes of my time?

Mr. AIKEN. Again I say, Mr. President, I should like to have the questions wait until the end, so my remarks may have some sequence when they are read in the RECORD.

Mr. McCARTHY. I am sorry.

Mr. AIKEN. A bill to establish a United Medical Administration was introduced by Senator THOMAS of Utah on June 7, 1949. This bill, S. 2008, is now before the Committee on Labor and Public Welfare, where it will receive careful consideration.

In view of the bill introduced by the Senator from Utah [Mr. THOMAS], the proposal for a United Medical Administration is now before the Committee on Labor and Public Welfare, as I have said. So far as I can see there has been no action whatever toward bringing it to the floor of the Senate for action. In my opinion it will be a long time before such a bill is enacted into law. In the meantime we should operate to the best of our ability under the machinery of Government we now have or can create without waiting for that law to be passed.

In view of these considerations, President Truman had either to submit plan No. 1 as he did, or to wait indefinitely for congressional action on medical activities. He is to be commended for pushing ahead to carry out as much of the Hoover Commission recommendations as he has in the plan.

This plan does not, as a great many persons have been led to believe, deal with medical insurance or national medical policy in any way.

Attacks on the plan as leading to the adoption of a program of prepaid medical insurance or work are completely without foundation. The plan converts the Federal Security Agency into an integrated executive department, but it in no way adds to or detracts from its functions. The issue of adopting a compulsory prepaid medical insurance program is before Congress, and its adoption or rejection rests with Congress. No Administrator or Secretary can order such a program.

So long as the President is an advocate of medical insurance, his principal officials will support such a program. They will do so, irrespective of the title by which they are known.

This plan will, therefore, neither advance nor retard the development of public policy in the area of health insurance. The spokesmen of organized medicine have, therefore, raised a spurious issue. I make the statement that they have raised it, while, at the same time, I agree with them that compulsory health insurance would not be advisable.

Much has been said about the additional cost of the Department and of economies to be effected by Reorganization Plan No. 1. Neither the President nor the Hoover Commission attempted to specify the savings to be derived from the establishment of the Department of Welfare.

Plan No. 1 does not itself curtail functions, eliminate overlapping, or in any other way bring about automatic savings. I may as well say that now. Most organizations, including plan No. 1, produce economies by making possible future savings through improved programming and reductions in administrative costs. The plan will establish an integrated department whose head will have previously lacking authority to assure that programs are administered effectively and to curtail lost motion.

What can be done in this direction has already been demonstrated by the Federal Security Administrator, in spite of limitations upon his authority. The newly integrated regional offices of the Federal Security Agency will be operated during the 1950 fiscal year at a cost of 8.8 percent, or \$581,354, below that of the preceding fiscal year.

As the President pointed out in his message of transmittal, the benefits from improved service and better costs are expected to flow from the plan.

The advocacy of a Department of Public Welfare is nothing new. Its creation has been recommended many times during the past 30 years. These recommendations have been made by Presidents, Members of Congress, special commissions, and nongovernmental groups. Last year I introduced a bill, at the request of the State Association of Boards of Health, I think was the title of the organization, which was almost identical with Reorganization Plan No. 1 as now proposed by the President.

In 1923 President Harding, in a special message to Congress, proposed the establishment of a Welfare Department. A year later a similar recommendation was made by the Joint Committee on Reorganization.

In 1932 President Hoover recommended that the welfare functions of the Government be grouped in one of the then existing departments.

In 1937 the President's Committee on Administrative Management recommended a new Department of Welfare.

That same year the report of the Brookings Institution, made for the Senate Select Committee to Investigate Executive Agencies of the Government, known as the Byrd committee, proposed

the establishment of a Welfare Department.

As stated in the testimony of the Director of the Budget, Frank Pace, before the Senate Expenditures Committee, when he testified in support of this Reorganization Plan No. 1:

Altogether, out of eight comprehensive plans for the reorganization of the executive branch developed by responsible officials and agencies within the last 30 years, six have concentrated the functions as to education, health, and welfare in a single department—five of them in a new department devoted exclusively to these activities—and the other two plans have provided a new department in charge of the greater part of these functions.

It is a well-known fact that the reorganization plan that established the Federal Security Agency in 1939 would have created it a department had not such creation of executive departments been specifically forbidden by the Reorganization Act of 1939.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HUMPHREY. Mr. President, I yield to the Senator from Vermont whatever time may be necessary.

Mr. AIKEN. I thank the Senator from Minnesota.

The failure to give these functions their appropriate status at that time was unfortunate, and Reorganization Plan No. 1 will correct this earlier error.

Plan No. 1 is the first vital step—I say, vital step—in carrying out completely the recommendations of the Hoover Commission. Congress adopted the Reorganization Act because it realized that the customary legislative process is not suitable for the expeditious adoption of needed reorganization.

The act provided a cooperative procedure under which the President's power to initiate changes in the organization of the executive branch was increased while the power of Congress to prevent reorganization was preserved.

Plan No. 1 is the first test of the procedure under the 1949 legislation. As such, it is a critical test of the capacity of the President and Congress to work together in the effectuation of the recommendations of the Hoover Commission.

If this plan fails in the face of the Commission's recommendation, the endorsement of the President, and the tacit acceptance of the House, the Senate will alone be responsible for a major set-back in the attempt to bring order and efficiency into the executive branch.

If Plan No. 1, which would have been relatively noncontroversial had extraneous issues been prevented from confusing its purpose, is rejected, the prospect of success for any future plans for the execution of the Commission's more far-reaching recommendations will not be bright.

I wonder if the Senator from Minnesota will permit me to have five more minutes.

Mr. HUMPHREY. I shall be very happy to do so.

Mr. AIKEN. Mr. President, I should like to quote from a statement which one of our colleagues on the Hoover Commission, Representative BROWN, made on the House last Thursday. Representa-

tive BROWN is generally known as friendly to the medical profession. Certainly he is about the last Member of the House who would do that profession any harm. I should like to quote his comment directly from the RECORD. This is what he said:

While perhaps the words have not been spoken, I seem to sense that some here have a question in their minds as to whether President Truman is going through with a thorough reorganization of the Federal Government, and whether he is actually going to do the things recommended by the Hoover Commission. I do not know. But I do know that he told the Commission that he was going to try to carry out its recommendations in substance. He did not pledge himself to do so in every detail, any more than the Congress had. I do know that he has sent messages to Congress, and that he has made many public statements, endorsing the work of the Commission. I do know that there is a great deal of pressure from back home, not only on the Congress but also on the President of the United States, to do something about getting a little efficiency and economy into the conduct of our public business. I do know that the only two living persons who ever served in the White House as President are both for this program. I do know that this Reorganization Plan No. 2 (and let me add here, Plan No. 1 also) was one of the recommendations of the Hoover Commission. I do know that about the only thing we can safely do, as far as this matter is concerned, is to take the President at his word.

I am still quoting from the speech by Representative CLARENCE BROWN:

If he does not keep his word, if he is not a man who keeps his promises, if he does not act in good faith, then I am going to tear the living hide off him in the next campaign. But first of all, I am going to give him a chance to make good on his promises. He is entitled to that. Then, if he does not do the right thing, I will criticize him from one end of this land to the other.

I want to say to any of you who may not think the President is sincere, or who may not believe that he is going through with most of the Commission's reorganization plans, that if you want to give him a beautiful opportunity to get out from under the responsibility of keeping his word, acting in good faith, and doing the things the American people want him to do in connection with the Hoover Commission report, then just vote for this resolution. If you adopt this resolution and reject this reorganization plan, then the President, if he is not sincere—and I do not question his sincerity—can immediately throw up his hands and say to the country, "Well, I tried to reorganize the Government and get a little economy and efficiency into the conduct of public business, but that terrible Congress up on Capitol Hill and the vicious business interests of the country would not let me. There is no use to try further."

Then it is the Congress and you who will take the heat, and not the President of the United States. In my opinion, it is just foolish, asinine, and silly to refuse to give him at least the opportunity to carry out the Hoover Commission recommendations and to go along with them in substance, as he has said he would do. If he fails to do so, then he is the one who will be responsible; but if we refuse to give him that opportunity, he will place the responsibility squarely on us.

We are squarely up against the issue: Do we want to take this first step to reorganize the Government? It is not the way, by any means. It is indeed just a step. It goes just a part of the way. Maybe the President will go the rest of the way. Maybe

he will not. I do not know. I am not responsible for him. But do we want to take this one step, along with him, and say, "We will go this far with you, Mr. President, and see what you will do about the rest of it. We will give you an opportunity to reorganize the Government, Mr. President. The responsibility is yours. We have given you the machinery to do the job and we have gone along with you thus far"? Or are you going to say right at the beginning, "No, Mr. President, we are going to turn down your Reorganization Plan No. 2 (all of this applies equally to plan No. 1), and if you do not want to do anything else about reorganization, you have a perfect excuse for not doing it"? I say to you, that is the question on which we all must vote.

Mr. President, that ends the remarks of Representative CLARENCE BROWN on the floor of the House of Representatives last Thursday. Mr. BROWN, Representative from Ohio, certainly is far from being radically minded, far from being hostile to the medical profession.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. AIKEN. Just 1 minute more. I wish to conclude by saying that Reorganization Plan No. 1 does not raise the issue of socialized medicine or compulsory health insurance. The issue is not whether Oscar Ewing is a good Administrator or ought to be eliminated from Government service. It is not a question of whether we will go along with the AMA. If Plan No. 1 shall be approved, the essential framework of Government as proposed by the Hoover Commission will have been established. If it is defeated, Oscar Ewing will continue as an Administrator in control of the very same functions of Government which are now under him.

Mr. McCLELLAN. Mr. President, I yield 10 minutes to the Senator from Wisconsin [Mr. McCARTHY].

Mr. McCARTHY. Mr. President, I should like to yield to the Senator from Vermont sufficient time to answer one or two questions, the answers to which I think may be of some benefit to the Senate in making its decision. I shall yield sufficient time to him to respond.

Last year the Senator from Vermont was chairman of the Committee on Expenditures in the Executive Departments, and did much good, intelligent work on S. 140.

Mr. AIKEN. I agree. [Laughter.]

Mr. McCARTHY. Finally the bill was reported unanimously, I believe. The major difference between S. 140, which has been reintroduced as S. 2060, and Reorganization Plan No. 1 is that S. 140 preserved a much greater amount of independence in the three departments, or three subdepartments, namely, health, welfare, and education.

Mr. AIKEN. Mr. President, it was not my impression that there was much difference. The bill as reported by the committee did what the Senator from Wisconsin says. I was referring to the bill which I introduced at the request of the State health organizations. The Senator is correct in saying that the bill as reported by the committee preserved a greater degree of independence on the part of education, health, and security.

Mr. McCARTHY. Under an Under Secretary.

Mr. AIKEN. Yes; the Senator is correct.

Mr. McCARTHY. Am I correct in stating that the Hoover Commission goes one step further than we went in Senate bill 140? The Hoover Commission not only says that the department shall have a greater amount of independence under the Secretary, but the Hoover Commission says we will make the United Medical Administration completely independent.

Mr. AIKEN. That is the recommendation of the majority of the Hoover Commission. As I have stated, three members of the Commission, Mr. Acheson, Mr. Rowe, and myself disagreed in part with that recommendation. We agreed that the hospital service should be better coordinated, but we disagreed to the extent of saying that the Public Health Service should be incorporated with the hospital and medical services.

Mr. McCARTHY. Am I correct in stating that if we want to follow the Hoover Commission recommendations we will come much nearer to doing so by taking S. 140, or what is now S. 2060, than taking Reorganization Plan No. 1?

Mr. AIKEN. No, I do not think so. I would not say we could draw a good comparison. The Hoover Commission recommends setting up this tenth department, with Cabinet status, under which the Health Services will be operated until such time as the Congress sees fit to create a separate, independent agency for them.

Mr. McCARTHY. Is the Senator aware of the fact—and I also call this to the attention of the junior Senator from Minnesota—that actually the creation of a medical administration incorporating the major functions relative to medical care, medical research, and public health, could better be established by a reorganization plan than by legislation? I offer as the authority for that the analysis by the Bureau of the Budget, which was made sometime during the spring of this year, I do not recall what month. On page 39 of the analysis are found on the left-hand side the various Hoover Commission recommendations, and on the right-hand side the method recommended by the Bureau of the Budget in putting these parts of the plan into operation. We find that the Bureau of the Budget lists, as the method of the effectuation of this operation, the reorganization plan. I call that to the attention of the Senator because the minority report says that "only the Congress can establish a medical administration." It does not give any authority for that. That legal conclusion has seemed to be completely negated by the analysis of the Bureau of the Budget.

Mr. AIKEN. I think the fact that the medical fraternity had had a bill introduced to do that very thing would indicate that they believe that legislation is necessary in order to set up the United Medical Administration. I am somewhat rusty on that point, but it is my recollection that there were several reasons which indicated that legislation would be necessary to create that administration. I am not familiar with the details. I have not studied that bill, because I

have felt that its adoption was some distance in the future.

Mr. McCARTHY. As I recall, when we were discussing S. 140, before we very substantially amended it and reported it unanimously, there was a good deal of argument to the effect that, instead of having the three departments grouped under one head, giving the head the unlimited power which Reorganization Plan No. 1 would give him, actually we decided there should be three separate departments, one dealing with welfare, one dealing with health, and one dealing with education. As I recall, the view was that we could not very well create three new Cabinet offices.

Mr. AIKEN. That is correct.

Mr. McCARTHY. What we tried to do in S. 140 was to preserve the autonomy, or the independence, of the head of the Medical Department, of the Welfare Department, and of the Education Department, and at the same time create only one new Cabinet office. So that S. 140 was a compromise, in effect, between Reorganization Plan No. 1, insofar as the Medical Department was concerned, and the Hoover Commission recommendation of a United Medical Administration. In other words, we went half way between Reorganization Plan No. 1, which gives the New Secretary unlimited power over the three agencies, and the recommendation of the Hoover Commission, which was that there should be complete independence on behalf of a United Medical Administration.

Mr. AIKEN. The Senator from Wisconsin is correct. Senate bill 140, reported by the committee, was a compromise bill between the bill which I introduced, which was almost identical with Reorganization Plan No. 1, and the other bill which was introduced, I believe, by the Senator from Ohio [Mr. TAFT] and the Senator from Arkansas [Mr. FULBRIGHT], which would not have gone far enough. I think the plan which the committee reported would probably have been workable, but inasmuch as it was a compromise, and objections were made to it from so many different quarters, as frequently happens in the case of a compromise bill, we were not able to secure its passage.

Mr. McCARTHY. If we should couple the report by the Bureau of the Budget and their suggestion that this particular recommendation of the Hoover Commission could be put into effect by a reorganization plan, with the statement made by Mr. Ewing, who apparently is going to head the new department, to the effect that he opposes the creation of a United Medical Administration, would the Senator agree with me that the combination of these two things indicates that this very important part of the Hoover Commission recommendation never will be put into effect if we adopt Reorganization Plan No. 1?

Mr. AIKEN. It is my opinion that if Reorganization Plan No. 1 should be adopted and the United Medical Administration should be created by the Congress, a bill establishing that Administration would probably be vetoed. It is also my opinion that if a United Medi-

cal Administration should be approved by the Congress, whether Reorganization Plan No. 1 is accepted or rejected, it would also be vetoed. That is simply an opinion on my part. I have not consulted with Mr. Ewing or with the President on that subject. But I do not think that would make any difference with respect to a bill passed by the Congress creating an independent medical agency. I have opposed the establishment of an independent medical agency because I have thought our objective was to reduce the number of agencies and to place the responsibility for Government into as few hands as possible, and then hold those in whose hands the responsibility was placed fully responsible for the work of the department. I have frequently thought that if the Congress exercised the power of impeachment oftener we would have better Government. But I realize that in view of the fact that Congress has complicated the departments so we cannot hold anyone responsible, it would be ill-advised to resort to the power of impeachment.

Mr. McCARTHY. I thank the Senator from Vermont very much.

The PRESIDING OFFICER. The Chair announces that 10 minutes allotted the Senator from Wisconsin has already expired.

Mr. McCLELLAN. Mr. President, I yield the Senator from Wisconsin 5 minutes more.

Mr. McCARTHY. Mr. President, in the first place I might say that I have very great respect for the Senator from Vermont. Last year he was the chairman of the Committee on Expenditures in the Executive Departments, of which I was a member, and I know how much time and effort he spent on Senate bill 140. I fear, however—and I call his attention especially to what I am now saying—that he may be drawing certain conclusions based upon erroneous assumptions. I should like to call his attention to some testimony on the part of Mr. Oscar Ewing in view of the statement made by the Senator from Vermont—I believe I am quoting him correctly—to the effect that Reorganization Plan No. 1 will not give the head of the department any more power than the Administrator now has. In connection with that I call attention to Mr. Ewing's testimony at page 118 of the record of the hearings:

If plan No. 1 is rejected, they will be there tomorrow, and I will be the Administrator. All on earth that this plan proposes is to change this existing organization to a department, and to give it an integrated type of organization as distinguished from the present holding-company type of organization which we now have. In other words, a great many of the statutory powers—

I shall stop at that point. Mr. Ewing, the Administrator, indicates that in his opinion he would receive no more power than he previously had. However, further in his testimony he said:

In other words, a great many of the statutory powers are vested directly in the bureau chief—in the Surgeon General, the Commissioner of Education, and the Social Security Administrator, and so on.

I think that is the important issue. That is, that as of today he does not have

anywhere near the power he would have if we adopt Reorganization Plan No. 1.

I read some questions and answers to bear that out:

The CHAIRMAN. If I may interrupt. Does that mean now that if this plan goes into effect all of those powers that are now by law vested in the heads of those divisions—the Education and Health Departments, and so on—would then be vested in you, as Secretary of Welfare?

Mr. EWING. That is true. You see these bureaus have a long history, long before the Federal Security Agency was ever created. They were independent bureaus and, consequently, the early legislation necessarily vested whatever powers or authorities were given directly in the heads of those bureaus and agencies.

We should make no mistake about this matter. I call the attention of the Senator from Vermont to the fact that adoption of the plan would result in a very radical change and would vest infinitely more power in the head of this new agency than he has as of today.

I read further from page 120 of the hearings:

Senator McCARTHY. Mr. Chairman, may I ask one question, please? Is it your thought that the three departments would be more autonomous under the legislation which this Commission had previously reported than they would be under the Presidential Plan No. 1? Do you understand my question, sir?

Mr. EWING. I think I do, Senator. If I do not answer it, you can correct me.

Here is the actual way the thing would work:

I call the attention of the Senate especially to this language:

Theoretically under the President's plan I suppose the Secretary of Welfare could do most anything he pleases.

Then Mr. Ewing goes on to explain that while this would give him unlimited power over health, education, and welfare, to the extent that he could do anything he pleases, actually he would use good judgment and not exercise that power.

In that connection, I will say that while I think much of the opposition to Reorganization Plan No. 1 is because Mr. Ewing is slated to head that organization, I personally would be wholeheartedly opposed to Reorganization Plan No. 1, no matter who was to head the organization. I do not believe health, education, and welfare are so interrelated that one man should have unlimited power over all three. I will, however, go a step further and say that while I think Senate bill 2060, which is identical with S. 140, provides a good plan for establishing a welfare agency—I introduced the bill and I favor it—I frankly would not be too happy to see such a thing take place if I thought Mr. Ewing was to head the agency.

The PRESIDING OFFICER. The Chair is sorry to announce that the Senator's time has expired.

Mr. McCARTHY. Mr. President, I ask the Senator from Arkansas if I may yield three more minutes to the Senator?

Mr. McCLELLAN. Mr. President, I yield three more minutes to the Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized for three more minutes.

Mr. McCARTHY. Mr. President, going further on this all-important matter, I believe there is general misunderstanding, in view of the statement made by the Senator from Vermont, respecting this matter. I am afraid a number of Senators feel that all we are doing is, as Mr. Ewing began to say, until he changed his statement under examination—and I quote Mr. Ewing:

All on earth that this plan proposes is to change this existing organization to a department, and to give it an integrated type of organization.

Reading further from Mr. Ewing's testimony on this point:

Senator McCARTHY. May I interrupt there, please, to see if my understanding is correct?

Do I understand, then, that if the plan is adopted it will lodge in you considerably more power than you now have?

Mr. EWING. That is correct, Senator McCARTHY. You see, on that there are two schools of thought—as to whether or not you should have the holding-company type of organization which we now have in the Federal Security Agency, or the integrated type of organization.

Senator Ives. Your holding-company type of organization, as I understand it, is somewhat limited. You do not have all of these particular functions that would be under you, under you now, would you, by the holding-company process?

Mr. EWING. Quite so, Senator. All that I have now is supervision and direction.

In closing, let me say that I heartily agree with the general recommendation of the Hoover Commission, and that is that in a department there should be lodged as much power as possible in the head of the department. I think otherwise it is impossible to operate efficiently. However, I believe that when we have a situation such as this, in which the Commission has already recommended that one of the three functions proposed to be put into this Department should not be in that Department at all. Under that particular set of circumstances I think it would be a grave mistake to include in this Department one function which, according to the Hoover Commission, should never be in it, and then give unlimited power over such functions to the head of the Department.

I thank the Senator from Arkansas for giving me additional time.

Mr. McCLELLAN. Mr. President, I yield 20 minutes to my colleague from Arkansas [Mr. FULBRIGHT].

Mr. McCARTHY. Mr. President, if I may impose on the Senator for 10 seconds, let me say that, while I introduced Senate bill 140 as a substitute for Senate bill 2060, I have no pride of authorship whatsoever. I do not claim to have drafted that bill. The bill was very carefully drafted last year by the committee, and reported. It is the Taft-Fulbright bill with amendments. I introduced that bill merely because I thought it was infinitely better than Reorganization Plan No. 1. I only took part in drafting it as a member of the committee.

Mr. FULBRIGHT. Mr. President, that bill has a longer history than that.

It was originally introduced, I believe, in June or July 1946. We announced at that time that we were introducing it at the end of the session in order to give those interested an opportunity to study it. Long hearings were held in the spring of 1947. So it has had a very respectable history.

Mr. President, the debate already has quite thoroughly covered many of the principal points, so that what I shall undertake to do is to clarify some of them.

I am opposed to this plan because the administration did not follow either the recommendations of the Senate—and I would call Senate bill 140 a recommendation of the Senate, having received thorough consideration and approval by the committee, and having been reported to the Senate, on the one hand, or the Hoover Commission report, on the other. There were two alternatives, either of which I believe would have been satisfactory, and I think I could support either of them. I have stated that if the administration should choose to submit a plan in conformity with either of those recommendations I thought I might support it.

There is a more recent example of organization of a department similar to the organization provided in Senate bill 140, and that is the reorganization of the armed forces. I think the same idea was involved in Senate bill 140 as was adopted by the Congress in the reorganization of the armed forces. In other words, we sought to recognize the integrity and interests of the three principal departments of the armed forces. Actually, those departments are much more alike and much more interrelated than are the three principal functions involved in this plan—namely, health, education, and welfare. So if the administration saw fit to approve and accept the reorganization of the armed forces on that basis I am unable to see why it is not willing to accept that basis in this connection.

Much reference has been made to Senate bill 140. I wish to read about a page from the report on that bill. This is from Senate Report No. 242, Eightieth Congress, first session, 1947:

The committee was of the opinion that there should be some definite administrative procedure outlined, as provided in S. 140, in order that proper recognition might be given to the various services to be included in the new Department, and specific provisions have been included in the bill as reported in an effort to eliminate possible discriminations against any of the several fields involved.

That, I think, is the key thought of the report, and of approval by the Senate committee.

Quoting further:

Another provision of that bill to which considerable importance was attached was section 3, which reads, in part, as follows:

"These objectives shall be carried out to the fullest possible extent through State and local agencies, public and voluntary, and in such manner as to preserve and protect to the highest possible degree the independence and autonomy of State and local agencies, public and voluntary, in education, health, security, and related fields."

The committee report had this to say of that particular language:

Section 3 of the act provides adequate safeguards to insure State autonomy of operation and control under local supervision and administration of the program in the public interest. This section was recommended and approved by a very large percentage of witnesses who appeared at the hearings.

No similar provision is included in Reorganization Plan No. 1.

It seems to me that there are two extremes to which the reorganization of these functions of the Federal Government could go.

On the one hand, as the various professional groups have advocated in the past, we could establish separate departments for each field, each with Cabinet representation. This is also the method adopted by most, if not all, States. There are quite logical arguments for this viewpoint. Each group may feel that its function may be confused with another; for example, that association with welfare activities would give education the connotation of charity and social service. Each group may feel that otherwise it will be subordinated to the will and domination of an administration not fully cognizant of the problems of their own field.

There is no question that that thought concerns a great many of those who are in opposition to this plan.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. McCARTHY. Am I correct in stating that the Hoover Commission recommendation, so far as the Department of Health is concerned, parallels very closely the original Taft-Fulbright bill? Senate bill 140, which is the Taft-Fulbright bill amended, then drops down, we will say, half way between the Hoover Commission recommendation and Reorganization Plan No. 1. In other words, Reorganization Plan No. 1 takes an extreme. The Taft-Fulbright bill, which is, I believe, largely the same as the Hoover Commission recommendation so far as the Department of Health is concerned, takes more or less the other extreme, and Senate bill 140, as amended, went about half way down the line.

Mr. FULBRIGHT. I think that is a fair description of it.

Mr. McCARTHY. I merely wish to make it clear that the original Taft-Fulbright bill is, in my opinion, almost identical with the Hoover Commission recommendation so far as the Department of Health is concerned. There are certain other respects in which it did not come too close to the Hoover Commission recommendation.

Mr. FULBRIGHT. The Hoover Commission definitely recommends a separate United Medical Administration. That was, of course, urged by the medical profession at the time we held hearings on that bill. But we felt that it was not practical or feasible to set up separate administrations at that time, as a practical matter of getting something done.

Mr. THYE. Mr. President, will the Senator yield?

Mr. FULBRIGHT. In a moment.

So we sought to take the middle ground, and to give autonomy within the Department to those three fields.

I now yield to the Senator from Minnesota.

Mr. THYE. I should like to ask the Senator a question. Does he believe that we could ever bring about a reorganization and establish the medical division as an independent agency within the Federal Government if we ever were to carry through Reorganization Plan No. 1, as proposed by the President?

Mr. FULBRIGHT. No; I do not believe so, for very practical reasons. Theoretically it is possible. The Senator from Minnesota [Mr. HUMPHREY] stated, of course, that that is what we could look forward to; but as a practical matter I do not believe we could do it, for this very obvious reason: Express disapproval of such a plan by the proposed head of the new agency, Mr. Ewing, and the President would make it, I think, virtually impossible, at least for the foreseeable future, to achieve that end, even if we attempted to do it.

It is no secret, for example, that the program in the Senate is primarily determined by the executive branch of the Government, not by the Senate. Certainly the power of veto, when coupled with that, would be quite sufficient, certainly so long as the present administration is in power. So I do not think it would be at all feasible to attempt to separate the medical service later on.

Mr. THYE. Mr. President, will the Senator yield again?

Mr. FULBRIGHT. I yield.

Mr. THYE. Were it possible for me to offer an amendment to Reorganization Plan No. 1, I should like to see it amended so as to make it mandatory that a medical professional man would be the director of the new agency created by the reorganization plan. The only reason I would propose such an amendment would be because I know very well that such a reorganization plan could be amended at a later time so as to set up the medical division by itself, and also knowing that then it would not be confronted with a Presidential veto.

But if we were to adopt Reorganization Plan No. 1 as submitted, then if we ever attempted, later on, to take the medical division out of the new department, we first would be confronted with the propaganda, "You must not do this because it is contrary to the Hoover Commission's Reorganization Plan No. 1." So that effort would have a strike against it from the very first.

In the second place, with the great propaganda machine that could be set up within that division, it would be utterly impossible to convince the public that we were not trying to "de-organize" what would be classed as Hoover Reorganization Plan No. 1.

For that reason, I find myself positively of the conviction that I must vote against Reorganization Plan No. 1 in order to safeguard our future action against a possible Presidential veto when we try to take the medical division from under this new agency and set it up under a separate agency, as the Hoover Commission absolutely and specifically

states should be done. That is my conviction, and that is the state of thought I have carried for some time.

I have followed the arguments for the reorganization plan very closely. I know that if we were to carry through Reorganization Plan No. 1 and were to permit it to go into effect, the medical division would remain under that new agency for all time to come, because if the new division is given Cabinet status, it never would be possible for the Congress to override a Presidential veto with which the Congress would be confronted if it attempted to place the medical division in another agency.

Mr. FULBRIGHT. Mr. President, I agree with the Senator from Minnesota. That is one of the principal reasons why I am in opposition to this plan.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield for a question.

Mr. ELLENDER. Does the Senator from Arkansas agree with the statement made a few minutes ago by the distinguished Senator from Wisconsin [Mr. McCARTHY], namely, that Reorganization Plan No. 1 gives unlimited power to the Secretary.

Mr. FULBRIGHT. To do as he pleases with all the functions which now are under the Federal Security Agency.

Mr. ELLENDER. The reorganization plan—

Mr. FULBRIGHT. I have the plan here. The language is very simple. Section 2 is about all there is to it.

Mr. ELLENDER. But the plan does not abolish the laws under which the Public Health Service and other services are now being administered; does it?

Mr. FULBRIGHT. Section 2 (b) of the plan reads:

All of the functions of the Department of Welfare and of all officers and constituent units thereof, including all the functions of the Federal Security Administrator, are hereby consolidated in the Secretary of Welfare.

As I read that language, it enables him to do anything he wishes to do with the arrangements or the personnel or the administration. I can see no limit to what he could do with those functions.

Mr. ELLENDER. But certainly he could not go beyond the law, under which those services are created.

Mr. FULBRIGHT. After this reorganization plan, as I understand it, goes into effect, it will be the law. Then will it not take precedence over some other law?

Mr. ELLENDER. I cannot agree with that view. The plan does not abolish the laws under which the Public Health Service, the Office of Education and the Social Security Administration are created. All functions and services therein created are retained and—

Mr. FULBRIGHT. Then what will it do? It simply creates a Department of Welfare as an executive department and places under it all the duties and functions now handled and supervised by the Federal Security Agency.

Mr. ELLENDER. It will not do exactly what the Senator attempted to do under Senate bill 140 introduced by him and others during the Eightieth Congress.

Mr. FULBRIGHT. Then it will put into the hands of the Secretary all the powers which now reside in the hands of anyone else within that agency.

Mr. ELLENDER. Let me suggest by way of a question what I have in mind; is it not a fact that under Senate bill 140, "the Under Secretary for Health shall perform such duties concerning health as may be prescribed by the Secretary or required by law"?

Mr. FULBRIGHT. In the bill we undertake to give to each of the three principal departments certain responsibilities which would be required by law, and which the Secretary could not set aside.

Mr. ELLENDER. But the requirement referred to here is already written into the bill. It provides, as I have just stated that the Under Secretaries created shall perform such duties concerning their respective departments as may be prescribed by the Secretary.

Mr. FULBRIGHT. I do not follow the Senator from Louisiana on that point.

Mr. ELLENDER. It is plain to me that under his bill, Senate 140, the Under Secretaries therein created shall perform such duties as may be prescribed by the Secretary. Under the bill, what does the Senator mean when he uses the words "required by law"?

Mr. FULBRIGHT. For instance, we first had a provision that a professional man should be at the head of each division. That provision was later deleted. But that was an example of what we meant when we said the Secretary should not simply put anyone in the position of undersecretary in charge of health, and that he could not take some particular activity out of the Division of Health and make it a part of the Division of Welfare.

Mr. ELLENDER. But the Senator's revised bill did not abolish the existing laws creating the services under discussion. As I understand Senate bill 140, it sought to create three under secretaryships, one for health, one for education, and another for public welfare.

Mr. FULBRIGHT. It is quite similar to what we have done in the case of the armed services, and for the same reasons.

Mr. ELLENDER. And those three Under Secretaries were to be under a Secretary.

Mr. FULBRIGHT. That is correct.

Mr. ELLENDER. The Secretary was to be a Cabinet officer.

Mr. FULBRIGHT. That is correct.

Mr. ELLENDER. In creating each of these Under Secretaries, the bill states:

The Under Secretary for Health shall perform such duties concerning health as may be prescribed by the Secretary.

The Under Secretary for Education shall perform such duties concerning education as may be prescribed by the Secretary.

The Under Secretary for Public Welfare shall perform such duties concerning social security and public welfare as may be prescribed by the Secretary.

What then is the difference between that plan and the reorganization plan under discussion?

Mr. FULBRIGHT. Of course the Senator from Louisiana does not read the

entire bill. It is obvious that for house-keeping purposes, and so forth, within the Department there would be regulations.

The Senator knows that I am limited in time, and that he will have an opportunity to speak later on. I cannot spend all my time going over that bill.

I yield now to the Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. FULBRIGHT. I hope the Senator will be very brief.

Mr. HUNT. I assume that the distinguished Senator from Arkansas will be given whatever additional time he may need.

Mr. President, addressing myself directly to the question asked by the Senator from Louisiana, let me call attention to the fact that Reorganization Plan No. 1 in subsection (c) reads as follows:

The Secretary of Welfare is authorized to delegate to any officer or employee or to any bureau or other organizational unit of the Department designated by him such of his functions as he deems appropriate.

In other words, as he wishes.

I read now from the existing law with reference to the Surgeon General. We find in it the language that—

The Surgeon General is authorized and directed to assign to the Office of the Surgeon General, to the National Institute of Health, to the Bureau of Medical Services, and to the Bureau of State Services, respectively, the several functions—

Mr. ELLENDER. The several functions created under that law.

Mr. HUNT. Yes; the several functions of the service.

I understand the specification of subsection (c) to give to the new Secretary of the Department all the authority and functions the Surgeon General now has. I do not see how anything else can be read into it or out of it.

Mr. ELLENDER. The point I was trying to reach, if the Senator will yield further—

Mr. FULBRIGHT. Mr. President, I yield for half a minute; I have only 3 minutes left.

Mr. ELLENDER. The point I have in mind is that the functions described by the distinguished Senator from Wyoming, and performed by the various heads, are the same functions as those which will be performed by the Cabinet officer. The law is not changed in the least. The Secretary created under this plan cannot have and will not exercise greater powers than those now created by the laws under which those services are granted. I fear more or less bogus issues have been created.

The PRESIDING OFFICER. The Chair is informed that an additional 10 minutes has been yielded to the Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, I decline to yield further at this time.

I wish to read one sentence from the hearings on Reorganization Plans 1 and 2. These were the words of the Mr. Ewing, when requested to give his view on this point:

Here is the actual way the thing would work. Theoretically, under the President's

plans, I suppose the Secretary of Welfare could do almost anything he pleases.

If that is his interpretation, and inasmuch as he is sponsoring the proposed reorganization, I do not know that there is much room to question what would happen under this reorganization plan.

Mr. President, I wish to tie down a little more specifically certain points which have been made, so that there will be no question regarding what the Hoover Commission report said.

I refer to the task force report on Federal medical services, the supplement to appendix O. It is only two pages long. I shall read one paragraph. This is the recommendation of the task force, dated February 8:

The agency should be headed by a professional career director general. Under the new plan, he should report directly to the President, and should, in the nonmilitary Federal medical organization, be the highest ranking physician in the Government.

The supreme medical importance of the position of the Director General should command, irrespective of all other considerations, the ablest medical and health administrator whose services can be obtained by the Government.

For these reasons, the committee views the present proposal for an independent organization as a significant improvement over the previously submitted plan.

That refers to the previous paragraph, directly proposing the creation of the United Medical Service organization. It had this to say, in the body of the report:

It remains to consider whether such an alternative would be preferable. This question has been fully considered by our committee, and we have reached the conclusion that such an independent organization would be preferable to placing this function in a larger department, as the Commission originally proposed.

In other words, they very positively recommend the independent United Medical Administration.

In the Commission report itself of March 1949, entitled "Medical Activities," we find:

RECOMMENDATION NO. 1

To accomplish these purposes, the Commission recommends the establishment of a United Medical Administration into which would be consolidated most of the large-scale activities of the Federal Government in the fields of medical care, medical research, and public health (in which we include preventive medicine).

I am completely unable to follow the reasoning of the Senator from Minnesota when he says that plan No. 1 follows the Hoover Commission report. It simply does no such thing. To confirm that, let us take the other report, entitled "Social Security, Education, Indian Affairs." This is the report of the Commission, and not of the task force. At page 6, we find:

RECOMMENDATION NO. 1

We therefore recommend that a new department to administer the functions set forth in this report be created and headed by a Cabinet officer.

The report does not mention the medical service at all. It mentions social security, education, and Indian affairs.

It seems to me that possibly some of the proponents of this plan must have

misread the report or concluded without having read it that health was included in the body of the report. But it is specifically excluded. The report includes only the three—social security, education, and Indian affairs.

I wish to call the attention of Senators to the original task force report on public welfare, made in January. It is too lengthy to read much of it. I wish only to call attention particularly to the first part of the report. It is a very lengthy document, which was prepared for the Commission by the Brookings Institution. I desire to quote one or two passages from it to give, I think, some feeling of what the attitude of that basic document was. Beginning on page 4, running into page 5, I quote:

1. The four major functions: Health, education, employment, and social security and relief, although interrelated, are essentially independent. The leadership and the fundamental work in each is professional, technical, or scientific. Each is the domain or a distinct profession, although in comparison with medicine, education, and social work, the knowledge and techniques of personnel or employment management (including wage administration and union relations as well as hiring and firing) have achieved only embryonic professional recognition.

Then, later, on page 5:

4. Since at the State level these functions are separate in legislation and administration, it appears that for many years to come, the National Government under a Federal system will have to legislate separately for each of the several functions. If it continues to use conditional grants or offset taxes to raise the level of performance with respect to them. It seems extremely dubious that a single multifunctional department at the Federal level could have a single unified program. The departmental program would have to consist of separate programs for health, education, employment, and social security and relief. Both Congress and the State legislatures will presumably have to continue to legislate separately for the several functions.

And then, on page 6:

When the President has to consider substantive issues it would seem entirely possible that he might get more help from several heads of smaller departments than from the head of one big one because one could scarcely master the details in a reasonable period.

That thought runs throughout the introduction, which discusses policy. I quote one other paragraph:

The interests of the Government demand that the heads of the bureaus in health, education, employment, and relief and social security shall be leaders in their respective professions. To be successful they must have a substantial professional following.

On page 7:

In our judgment it cannot be guaranteed that grouping all these agencies under a single department head would result with certainty in effective coordination.

That is the thought all through the report. Again:

For successful Federal-State cooperation a high degree of continuity in Federal administration is essential. One way of insuring such continuity is to reduce administrative discretion at the Federal level to a minimum.

To a greater degree than any other civilian department of the National Government this one will affect the lives of individuals. It

will be providing, directly or indirectly, free public services, distributing social insurance benefits, and giving relief. The political potentialities are obviously great, especially since this Department has no necessary responsibility for raising the funds to pay for the services and the benefits. As already noted, the agencies in the Department have affiliates in the State and local governments that reach to practically every settlement. An intensely partisan politically-minded secretary would have in his hands what might be made a powerful political implement. It may, however, be assumed that the Congress will be aware of this fact and will limit the discretionary authority of the secretary, and possibly continue to vest a considerable measure of the discretionary power in the bureau chiefs.

Those are not my own words. Those are the words of the task force report of January. It is the principal task force document, and those last words express exactly what Senate bill 140 tried to do, and did do, in my opinion. It says further:

It may, however, be assumed that the Congress will be aware of this fact and will limit the discretionary authority of the Secretary, and possibly continue to vest a considerable measure of the discretionary power in the bureau chiefs.

I quote from page 11:

In a unifunctional department it is not unusual for the essential powers to be vested in the head of the department. He may have authority to delegate power to subordinates, to determine internal organization, and to select and remove bureau chiefs. Responsibility and authority may be centered in him. Is such centralization of power desirable in the multifunctional Federal Security Agency?

The entire argument and discussion in this report on public welfare are absolutely and persuasively against Reorganization Plan No. 1.

The PRESIDING OFFICER. The Senator from Arkansas has 1 minute remaining.

Mr. FULBRIGHT. Mr. President, there are several other points to which I wish to refer. One is the reference to the letter sent by the administration with regard to plan No. 1, which seems to me to be responsible for some of the confusion which has arisen in the minds of some Members of the Senate. I quote from the President's letter of August 12, and I am reading from the CONGRESSIONAL RECORD in which it is printed:

This commission, composed of outstanding citizens from both political parties, has made a comprehensive report containing its recommendations. Two of its important recommendations are included in Reorganization Plans No. 1 and No. 2.

To my mind, that is simply a misstatement, because plan No. 1 does not include a very important recommendation of the Commission.

Again, on the same page, the President says:

The important changes which would be effected by these two plans were unanimously recommended by the Hoover Commission.

I think that is a misleading statement. I know, from discussing it with some of the Members of the Senate, that it has brought about a misconception. The fact is that only three members of the Hoover Commission did recommend essentially all of plan No. 1, but the other

nine members recommended to the contrary. To say that this was a unanimous recommendation of the Hoover Commission, as I see it, is quite wrong.

The PRESIDING OFFICER. The Senator has been granted five additional minutes.

Mr. FULBRIGHT. Then the President says this:

Nor will acceptance of the plan in any way prevent later action along the lines they desire.

We have already discussed that point. I do not agree with it.

Then the President says:

Every special-interest group concerned with the operation of the Government will be encouraged to try to block further steps toward efficiency and economy.

That kind of a statement, the bringing in of a special-interest group, is unjustified, unless we call Congress a special-interest group, because the committee has very specifically recommended Senate bill 140. I do not consider that a special-interest group is involved simply because there is a difference of opinion. The idea that every time any opposition comes forward it is a special-interest group seems to me to create an emotional atmosphere with regard to a matter which we should be able to consider objectively on its merits.

Mr. McCLELLAN. Mr. President, will my colleague yield to me?

Mr. FULBRIGHT. I yield.

Mr. McCLELLAN. Does the Senator know of any agency of the executive branch of the Government which is not a special-interest group when it comes to getting appropriations or more favorable legislation or more power?

Does not such an agency become a special interest?

Mr. FULBRIGHT. I think it is a very evident fact that in the past 20 years the greatest special interest in this country has been the executive branch of the Government. When we consider the enormous growth and the power which goes with the ability to raise by taxes \$40,000,000,000 and the ability to spend it, and the influence which necessarily grows from such ability, there is no longer any special interest in this country which can effectively oppose the executive branch of the Government. I do not mean that statement to be taken personally. When one looks over the world and sees what has happened in other nations in the past 20 years, or if we go back to ancient history, it has always been the executive who has usurped and, in time, eliminated the power of any legislative body. I do not want it to be asserted that I have abused the President or any member of the executive branch as having any deep-laid design. I think it is the inevitable tendency of all executives, including our own, to seek more power. The genius of our Government has been the division of power into three branches. I should like to slow up the process in the executive branch, and I would not want to lend my influence to speeding up the influence or power of the executive branch of the Government.

Mr. McCLELLAN. Has it not almost become a common thing with depart-

ments and agencies under the executive branch of the Government that every time any group of citizens, organized in any sort of an association, undertakes to oppose legislation desired by some department of the Government, that group is charged with being a special-interest group? That applies to farmers, housewives, doctors, lawyers, businessmen, or anyone else. I do not know of anyone who undertakes to oppose legislation that some administrative department wants enacted who is not charged with being a member of a special interest.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. McCLELLAN. Mr. President, I yield my colleague five more minutes.

Mr. FULBRIGHT. Mr. President, I should like to have 2 or 3 minutes in which to mention one or two other points.

I believe, as I have said, there has been a misconception with regard to the President's message to Congress. Also, as I recall, the Senator from Minnesota [Mr. HUMPHREY] used a quotation in his remarks, and attributed the language to the committee. Actually those were not the words of the committee which were being quoted; they were the words of the Bureau of the Budget which the committee report had quoted. It is true that the language which was read came from the committee's report, but the language was that of the Bureau of the Budget, which the committee was simply putting in for the information of the Senate. There was no approval of it. I think that is true as evidenced by the following action of the committee. Quite obviously, it is a contradiction to have voted 7 to 3 against plan No. 1, and to have approved the language which the Senator from Minnesota has quoted. I think that should clear up what was apparently a contradiction in the position of the committee.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. FULBRIGHT. Very briefly.

Mr. HUMPHREY. I wonder whether the Senator from Arkansas feels that the telegram which was received from the distinguished former President, wherein he said he supported plan No. 1, is in any way a contradiction of what has been stated.

Mr. FULBRIGHT. I was coming to that in my next point. I wanted to mention his statement to the committee, in which he said:

I am advised that special legislation will be required—

And so forth. Since that time we know his advice was erroneous. The best authorities available indicate that there is no justification for that advice. Theoretically, I think it would be possible to do as Mr. Hoover recommended, but practically, I do not think there is the slightest chance, if plan No. 1 is adopted, that there will ever be any dismemberment of this enormous and powerful agency by way of establishing an independent medical administration.

Mr. HUMPHREY. Mr. President, will the Senator again yield?

Mr. McCLELLAN. Mr. President, will the Senator yield to me?

Mr. FULBRIGHT. I yield to my colleague.

Mr. McCLELLAN. I ask the Senator to read the last sentence in Mr. Hoover's message in which he points out that although he is supporting plan No. 1, it is imperative that the remainder of the recommendations be carried out, which the Senator says he doubts can, from a practical standpoint, be carried out if this plan be adopted.

Mr. FULBRIGHT. Mr. Hoover says in his telegram:

I likewise supported plan No. 1 and outlined that the further imperative steps recommended by the Commission are the separation of all health and labor agencies from the new department and reorganization of budgeting, accounting, and personnel methods.

I think it is obvious, that you cannot take this step, and then some time later separate these functions.

I may say for the benefit of the Senator from Minnesota that much pressure has been brought to bear on me regarding this matter, and I stated that if we were able to offer an amendment to the plan to make it conform to the Hoover Commission recommendations, I would go along with it. The Senator well knows that we have no choice in this matter, and once this step is taken there is no going back. It would be very simple, I am sure, knowing the persuasive powers of the Senator from Minnesota, to induce the administration to bring in a plan in conformity with the Hoover Commission recommendations, which he has said, I think, he approves and wants to have adopted.

The PRESIDING OFFICER. The time of the Senator from Arkansas has expired.

Mr. HUMPHREY. Mr. President, will the Senator yield for one more question?

Mr. FULBRIGHT. I yield for one more question.

Mr. HUMPHREY. I was quite generous in the early part of my remarks in yielding for interrogations from the opposition to my point of view. I wondered how we were to interpret this telegram, wherein former President Hoover said—and I repeat his statement:

In brief I supported the President's seven plans as first steps on the long road of reorganization which only can be carried out by further Executive and congressional action if the recommendations of the Commission are to be fulfilled. I likewise supported plan No. 1—

Mr. FULBRIGHT. Go ahead; finish the sentence.

Mr. HUMPHREY. Oh, yes—

and outlined that the further imperative steps recommended by the Commission are the separation of all health and labor agencies from the new department and reorganization of budgeting, accounting, and personnel methods.

Mr. FULBRIGHT. That is the whole point.

Mr. HUMPHREY. Is it not true that the former President has said, in reference to the issue which is now before the Senate, "I support plan No. 1"? A little later, if we wish to do something else, perhaps he will support that, but

we are not talking about eternity, we are talking about today; we are not talking about the future, but about the present. The immediate issue is plan No. 1.

Mr. FULBRIGHT. If the former President were here, faced with the necessity of making a decision which we are compelled to make, I think he would vote as I am going to vote, namely, against the plan, and wait, until next January and the submission of a plan which may be satisfactory.

Knowing something of the Senator's background, in a way, I am quite surprised at his having so little regard for the medical profession outstanding as it has been in its service throughout the year, and efficient as it is today. The only real criticism I could make of the profession is that there are not enough physicians. In quality, they are much the best in the world today, in my opinion, and the criticism that there are not enough of them, to a large extent goes to the educational institutions, and the lack of money. In my State the attempt to keep alive one of the few medical colleges in the South has almost broken us. Several of our neighbor States do not have such schools, and that has brought large pressure and expense on us. To me the basic difficulty with the medical profession is that there is not a sufficient number of adequate high-class medical schools. I was a little surprised at the Senator's not being more sympathetic, and not desiring to improve, let alone tear down, the medical profession.

Mr. HUMPHREY. The junior Senator from Minnesota has the greatest admiration for the medical profession in the practice of medicine. I acknowledge its great standing in the healing art. I believe it is the greatest profession in the world, and I want nothing to jeopardize it. It is quite important that we try to keep the medical aspects of the healing art apart from the political aspects of the healing art. Somehow or other East and West have mixed together in this proposition. So the difficulty is not over medicine, it is over reorganization.

Mr. FULBRIGHT. The Senator knows that in England there is some mixture of politics and medicine.

Mr. HUMPHREY. The Senator from Minnesota does not want to have in the United States the British medicine setup.

Mr. THYE. Will the Senator from Arkansas yield?

Mr. FULBRIGHT. I had better stop. The junior Senator from Minnesota emphasized the point I would bring out. He said there must be some compelling reason for Plan No. 1, and I am unable to find it. It seems to me quite obvious the burden of proof is upon the moving parties in this instance. I think they have completely failed. When we examine the recommendations of the Congress in the past and of the Hoover Commission, neither of which supports this plan, I am quite unable to see how the burden of proof on the moving parties, in this instance the administration has been fulfilled.

Mr. HUMPHREY. One further question, a very brief question.

Mr. FULBRIGHT. I yield, if I have the time.

Mr. HUMPHREY. I was somewhat intrigued by the apparent feeling on the part of the Senator from Arkansas that the former President did not realize some of the difficulties there might be in getting legislation through the Congress. I was wondering whether the Senator from Arkansas was trying to tell the Senate that former President Hoover had no understanding of the legislative process, and how difficult it might be to get legislation.

Mr. FULBRIGHT. I think he has many admirable qualities, but anyone who remembers what went on in 1931 and 1932 will agree that his one great failing was that he was unable to get Congress to do things, some of which should have been done, during the 2 years interregnum when the opposite party was in control of the Congress, and he was completely stalemated. I think it is reasonable to believe that he does not realize the difficulties in Congress. One has to be here quite a while to understand it.

Mr. HUMPHREY. I can understand that. I infer, then, that the former President has not learned anything about the legislative process.

Mr. FULBRIGHT. I do not believe he was thinking about that particular aspect. He was trying to look at the matter objectively, and I do not think that subject was particularly in his mind.

Mr. McCLELLAN. Mr. President, I yield 10 minutes to the Senator from Michigan.

The PRESIDING OFFICER. The Senator from Michigan is recognized for 10 minutes.

Mr. FERGUSON. Mr. President, I take it that in the Senate, as well as throughout the country, there is overwhelming support for the objectives of the Commission on Organization of the Executive Departments. There are many of us, I know, who have pledged ourselves to a faithful pursuit of its recommendations because we recognize that its purposes can be accomplished only if its plan is taken as a whole.

The question with which many Senators are now wrestling is whether or not one's action on Reorganization Plan No. 1 will compromise his support of the Commission's purposes and recommendations.

On June 21, the day after Reorganization Plan No. 1 was submitted to Congress, I addressed the Senate and attempted to analyze it, together with the six other plans which had come before us. My general conclusion with respect to them was that they represented shortcomings rather than deviations from the Commission blueprint, and I expressed my disappointment that a more vigorous attack upon the reorganization problem had not been reflected in them.

At that time I suggested hearings on the various plans, so that their deficiencies might be explored and evaluated. The governing question in those hearings became one of whether or not the shortcomings were so vital as to defeat the Commission's purposes. I have been forced to a conclusion that the short-

comings in plan No. 1 are so vital that its adoption would be inconsistent with the objectives of the Hoover blueprint.

The creation of a new executive department with cabinet status, for certain of the welfare functions of the Government, is not a novel idea and it was supported by the Hoover Commission.

The important contribution of the Commission in studying this matter, however, was a recommendation that in the creation of the new department there be a separation from it of all health and labor agencies.

The reasoning behind that recommendation was clear. It was not desirable that there should be a confusion and possible subordination of functions in giving paramount consideration to the elevation of education and social security functions.

The Commission's recommended designation for the new department, as a Department of Education and Social Security, clearly reflects its purposes.

The present plan does not make the separation of functions which was called for by the Commission. It has become evident that the separations called for, notably in the field of health administration, will be most vigorously resisted.

Because that separation is at the heart of the Commission's recommendations the plan cannot be considered consistent with those recommendations.

It has been submitted, of course, that separation can be made later. But there is no way in which we can now approve the plan contingent upon the separation being made. We must accept or reject the plan as a whole.

Due consideration should nevertheless be given to the contingent possibilities. I think a realistic appraisal of the situation proves that contingency is a remote possibility.

Since, as it has been pointed out, the separation can be accomplished by executive authority, we might have expected that it would have been encompassed in plan No. 1. It was not. Therefore I believe it is fair to say that it will not be accomplished under a reorganization plan.

If it were the President's intention later to direct the separation we could have expected some indication of that fact from him for our guidance at the present time. We have had no such indication. In fact I think the letter which the President addressed to the Vice President and which was read to the Senate, indicates to the contrary. The conclusion must be that the President does not favor the separation of functions contemplated in the Hoover Commission reports.

That conclusion seriously affects the other possibility for accomplishing separation by legislative action. If the President disapproves of the separation in which we believe—in which at least the Senator from Michigan believes—legislation calling for it is subject to his veto and his veto will require a two-thirds vote in both Houses to overcome it.

If by our rejection of Reorganization Plan No. 1 the purposes of the Hoover Commission are in any way retarded Members of the Senate need not let their

responsibility weigh heavily upon them. The fact is that in this instance the purposes of the Commission, insofar as the establishment of the new executive department is concerned, are the victims of the President's piecemeal approach to the problem.

I submit that a vote to disapprove Reorganization Plan No. 1 is merely an insistence that the Hoover Commission recommendations be followed faithfully.

To that end a vote against Reorganization Plan No. 1 cannot compromise one's support for the Commission but will be an emphatic recording of one's support for it.

Mr. HUMPHREY. Mr. President, I yield 5 minutes to the Senator from Tennessee [Mr. KEFAUVER].

The PRESIDING OFFICER. The Senator from Tennessee is recognized for 5 minutes.

Mr. KEFAUVER. Mr. President, during the day I have listened very closely to the debate, the pros and cons of this issue as to whether this, the first program of reorganization pursuant to the Hoover recommendations, shall be accepted or rejected and killed by the United States Senate.

Mr. President, we have for a number of years had a great demand in this country that there be a successful reorganization of the executive branch of our Government in the interest of economy and efficiency. The overburdened taxpayers have demanded, and rightly so, that we secure more economy and avoid overlapping and duplication in our governmental structure. The investigations which were conducted very patriotically by former President Mr. Herbert Hoover and a distinguished group of Americans who were well versed with the structure and function of the Government and its various departments, upon which they made their recommendations after a long and tedious task, have brought before Congress and the American people the most complete and comprehensive plan for the reorganization of the departments of our Government that we have ever had.

These reorganization plans represent in my opinion a real hope of saving some money to the taxpayers by way of elimination of duplicating functions, and seeing to it that our departments are streamlined and organized so they can function well. These reorganization plans are our only opportunities of economy unless we drastically abolish agencies and cut down on their functions.

It has been stated in the hearings, and I have not found anything to contradict it, that Reorganization Plan No. 1 would save \$581,000 this year, and that next year it would save three-quarters of a million dollars to the Government. As I understand, the savings would come about by reason of having a consolidation of the records, of having a stenographic pool, and by doing away with the overlapping of personnel and functions which we have in the various departments which are actually now under the Federal Security Agency. I fear, Mr. President, that if the proposed reorganization goes by the board it is going to

set the pattern, so that the other reorganization plans prepared as the result of the Hoover recommendations are going to lose out. This plan is recommended by Mr. Hoover in every respect except as to the name of the department. He ought to know whether it is worth while, and I have never heard of Mr. Hoover advocating socialized medicine.

Mr. President, if the issue involved were socialized medicine, if I thought the reorganization plan were going to lead to socialized medicine, that it would cause socialized medicine to come to this country or would have any tendency to do so, I would oppose it, and unequivocally so, because I have the highest respect for the medical profession of the Nation and for the great progress that profession has made. I would not favor any step which I thought might be in the direction of socialized medicine. I cannot see that the plan has anything whatsoever to do with socialized medicine.

I saw a chart a few minutes ago, to which I should like to refer. The Office of Public Health Service is now under the Federal Security Administrator. It would be under the Department of Welfare if the new reorganization plan were adopted. The only difference would be that some of the duplication of records and of functions would be eliminated, so that money could be saved, and so that we might have a better Public Health Service. I have joined Representative PRIEST, of Tennessee, and the Senator from Alabama [Mr. HILL], and other Members of the Senate in working for an expanded and a better Public Health Service in the belief that by doing so we might carry some additional service to persons who need it and who do not have funds to pay a private physician, particularly in the field in which the Public Health Service operates. I think a better public-health program would be a deterrent to anything that might lead to socialized medicine. So, Mr. President, it does not make any difference whether the plan is adopted or not; the Public Health Service will be in the same place it is now, and will operate in the same field in which it is now operating.

Mr. President, I take it that if John Jones, whom nobody knew, were thought to be the one who would be appointed Administrator of the Department of Welfare, the opposition to the reorganization plan would vanish. In the first place, no one knows that Oscar Ewing is going to be the Administrator of the new department. No one knows that the President will nominate him. In the second place, it is a matter for the United States Senate to decide, if he is nominated, whether or not he will be confirmed.

In the third place, so long as the President of the United States is insisting upon some national health program, it is unlikely to assume that the President of the United States is going to put in charge of that program someone who is opposed to his policies and principles.

This would be true regardless of whether this department is established or whether a department such as the one

recommended by the Senator from Arkansas [Mr. FULBRIGHT] is set up.

It has been thought that an eminent doctor should be placed in charge of a program of this kind, if there is to be a health department. I know of many physicians who would be very capable in such a position, but I think the attention of the Senate should be called to the fact that the chairman of the Committee for the Nation's Health, which has been the principal organization supporting the national health-insurance program, is a prominent physician, twice president of the Massachusetts Medical Society, and that he was for the program which has been proposed by President Truman, and which I have always opposed. So if a physician were selected he would unfortunately probably be one who supports the pending health-insurance plan.

It seems to me that, all in all, the report of the individual views of the Senator from Maine [Mrs. SMITH] in expressing her individual opinion summarizes this question about as well as any brief statement I have seen. I wish to read into the Record a portion of what the Senator from Maine said:

I would summarize my conclusions less eloquently and more briefly by observing that (1) the plan follows the Hoover Commission recommendations as far as it goes; (2) the issue is not socialized medicine as some would have us believe—were this true I would oppose the plan because I am opposed to socialized medicine; (3) the issue is not one of personalities but rather one of principle—the plan itself is more important than Mr. Oscar Ewing or any other individual; and (4) perfection and unanimous agreement will never be obtained at the outset on any plan of reorganization—but lack of perfection and unanimity should not be permitted to prevent a start on improvement and this plan is definitely a start on improvement.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KEFAUVER. Mr. President, may I have 2 minutes more?

Mr. HUMPHREY. Mr. President, in view of the shortage of time, I yield 1 additional minute to the Senator from Tennessee.

Mr. KEFAUVER. Mr. President, this matter is bigger than any one individual. It is a matter of efficiency and economy. I know of several department heads whom I do not like. Selfishly, I would not want to see them given any greater power. But, after all, we cannot refuse to appropriate for the departments merely because we do not like the heads of certain departments. We cannot afford not to give them sufficient tools to do their job merely because we do not like them. I think the great issue is whether we are going to follow generally the reorganization program proposed by former President Hoover and his Commission, and try to get more economy and efficiency in our Federal Government.

I greatly fear that if we reject this program, they will all be rejected. I do not believe that this plan has any connection whatsoever with socialized medicine. That is a program which can only be adopted by the Congress of the United States. It can be embarked upon only if the Congress agrees to it. That pro-

gram has now been defeated, and for the time being, at least, the President admits it.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed in the Record at this point as a part of my remarks two paragraphs from a very able statement by Representative CLARENCE BROWN of Ohio in support of Reorganization Plan No. 1. We know that Congressman BROWN, Senators HOEY, LODGE, ELLENDER, and others would not support it, if it were derogatory of the welfare of the medical profession.

There being no objection, the statement was ordered to be printed in the Record, as follows:

I want to say to any of you who may not think the President is sincere, or who may not believe that he is going through with most of the Commission's reorganization plans, that if you want to give him a beautiful opportunity to get out from under the responsibility of keeping his word, acting in good faith, and doing the things the American people want him to do in connection with the Hoover Commission report, then just vote for this resolution, Harry Truman is not dumb politically, and if you vote for this resolution, if you adopt this resolution and reject this reorganization plan, then the President, if he is not sincere—and I do not question his sincerity—can immediately throw up his hands and say to the country, "Well, I tried to reorganize the Government and get a little economy and efficiency into the conduct of public business, but that terrible Congress up on Capitol Hill and the vicious business interests of the country would not let me. There is no use to try further."

Then it is the Congress and you who will take the heat, and not the President of the United States. In my opinion it is just foolish, asinine, and silly to refuse to give him at least the opportunity to carry out the Hoover Commission recommendations and to go along with them in substance as he has said he would do. If he fails to do so, then he is the one who will be responsible; but if we refuse to give him that opportunity he will place the responsibility squarely on us, and on some of our business friends back home who, I am afraid, have not been quite as wise as they have been active. I am growing a little tired of hearing a lot of talk and receiving a lot of letters saying, "We want the Congress to do something about this terrible waste and extravagance. We want some economy in Government." Then, when we try to do something about it the very same folks too often come right back and say, "Yes, let us have economy, but not in the activity we are interested in. Let us get it somewhere else, but do not interfere with what we want."

Mr. HUMPHREY. Mr. President, I yield 5 minutes to the distinguished Senator from Florida [Mr. PEPPER].

Mr. PEPPER. Mr. President, the President of the United States, in Reorganization Plan No. 1, has proposed to make the Federal Security Agency into a Department of Welfare. The plan has already been approved by the House of Representatives. The controversy is now whether the activities dealing with health should be included in the Department of Welfare, or whether they should be set aside in some specially created and constituted health agency.

In the report of the majority, filed by the Senator from Arkansas [Mr. McCLELLAN] on behalf of the Committee on Expenditures in the Executive Departments, the following appears:

Establishment of a Department of Welfare was first recommended by President Harding in 1923. President Hoover recommended establishment of a Department of Welfare in 1932, as did President Roosevelt's Committee on Administrative Management in 1937. President Truman recommended the creation of a department in 1946, and again in 1947 and 1948.

The Federal Security Agency was established by Reorganization Plan No. 1 under the Reorganization Act of 1939. As expressed in President Roosevelt's message to the Congress, the FSA included "those agencies of the Government, the major purposes of which are to promote the social and economic security, educational opportunity and the health of the Nation."

So I call attention to the fact that President Roosevelt, under reorganization authority provided by the Congress, grouped together the same three agencies, security, education, and health. In other words, President Truman has simply followed the grouping of agencies which President Roosevelt followed under the Reorganization Act of 1939.

Let us see what some of our colleagues have proposed. I read again from the report submitted by the Senator from Arkansas:

Reorganization Plan No. 2 of 1946 transferred additional activities related to welfare to FSA.

The Senate Committee on Expenditures in the Executive Departments in 1947 reported favorably S. 140 (Senators FULBRIGHT and TAFT), which would have established a Department of Health, Education, and Security.

In other words, not only has President Truman grouped the agencies of Security, Health, and Education together into the Federal Security Agency, but two of the distinguished Senators who somehow find themselves opposed to Reorganization Plan No. 1 themselves proposed to group together the three agencies of Security, Health, and Education in the plan which they proposed under Senate bill 140. The major difference is a minor one. In their bill, S. 140, they provided an Under Secretary for each of the three agencies, while in Reorganization Plan No. 1 three Assistant Secretaries and an Under Secretary are provided.

The House of Representatives has approved Reorganization Plan No. 1. This is the first reorganization plan proposed by the President under the authority of the Congress to come before the Senate for its action.

The people of the country are generally in favor of the Hoover proposals for increased efficiency in our Government. I am not one of those who advocate what I believe to be false economy, namely, the cutting out of functions which are valuable in the public interest. Everyone is in favor of every possible bit of efficiency and of the elimination of overlapping and duplication in the executive agencies of the Government of the United States.

Mr. President, it is not the health provision that is on trial. It is the Senate that is on trial before the country.

Shall the headlines of tomorrow carry the message that the United States Senate repudiates the first effort to save money by efficiency and the proper grouping of agencies under a responsible head, or shall we show the country by our favorable action that we propose to go ahead with the effort to make the executive branch of the Government the most effective agency possible?

Mr. PEPPER subsequently said: Mr. President, I ask unanimous consent that there be printed immediately concluding my remarks some material which I did not have time to finish.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. President, as some of the Senators are aware, this debate was opened yesterday afternoon by the distinguished Senator from Ohio, quite unexpectedly. As you know, and as all of us have known for the past week, the debate was scheduled for today. But the Senator from Ohio opened it yesterday instead, all by himself, with no opposition, but with occasional supporting questions and comments by the distinguished Senator from Arkansas. Both, as you know, are sponsors of the resolution we are debating now, a resolution to kill the first reorganization plan submitted by the President to carry out the Hoover Commission recommendations.

Many of you, no doubt, have seen the reports of the Senator's speech in the newspapers, and perhaps there is no need for me to review it for you. However, having read the report of it in the RECORD this morning, and having admired the impressive newspaper accounts of it, I have concluded that it was a speech of such importance that I should call it especially to your attention. I should hate to think that any Senator interested in this important problem would miss an address of such significance simply because it was delivered without advance notice.

The Senator offered what seemed to me a rather curious explanation as to why he felt compelled to rush into the arena yesterday and speak at a time when there was no opposition, although ample time already had been scheduled for debate today, with both sides represented. He felt called upon, it appears, to rebuke the President of the United States for writing a letter to the Vice President of the United States, expressing the hope that the Senate would allow the first two reorganization plans in pursuance of the Hoover Commission recommendations to become law.

By this act, he said, the President was attempting to intervene in the legislative process. Mr. President, methinks the distinguished Senator from Ohio doth protest too much. While the present incumbent of the White House does enjoy the privileges of the Senate, being a former Member of this body, I am not aware that his privileges include the right to vote. Therefore, he cannot intervene in that way. As for the danger that an expression of opinion by the President might prove irresistibly persuasive, either to the Senator from Ohio or to the Senate as a whole—that, Mr. President, is less a danger than a remote and distant hope to be cherished by those of us who agree with his philosophy.

But there is another possibility, and I wonder if this is not what was so disturbing to the Senator from Ohio. In this particular case—and I wish it were true more frequently—the President put into words what actually was the opinion of most of the members of the Senate, as well as of the vast majority of the American people. Certainly as far as the voters are concerned, there is no doubt whatever that support for these reorganization plans is widespread, very strong, and extremely persistent. And un-

doubtedly the President's letter, which was printed by the newspapers, struck a high responsive chord among the people who send us here to represent them.

How did the senior Senator from Ohio respond, in his lonely but widely publicized colloquy with the junior Senator from Arkansas? His remarks deserve careful attention, it seems to me, for two principal reasons:

First, because the Senator from Ohio is not only an extremely able man, but because he apparently has assumed the position of foremost spokesman against Reorganization Plan No. 1, which we now have under consideration; and

Second, because the speech he delivered here yesterday revealed, in clear and concise detail, all of the contradictions, the illogic, the insupportable weakness of the whole argument for the veto resolution which we are asked to approve. It proved, better than I can do, the case that has been made by the President, the only living ex-President, and by every witness who testified in committee except for the spokesmen for organized medicine and the sponsors of the veto resolution.

Let us review the distinguished gentleman's speech, point by point.

Categorically and without reservation, he asserts that Reorganization Plan No. 1 "flies in the face of the recommendations" of the Hoover Commission.

I have great admiration for Senator TAFT's accomplishments, but I submit that Mr. Herbert Hoover is a better authority as to whether any reorganization plan is in conformity with the Hoover Commission recommendations. He testified in committee that Reorganization Plan No. 1, and all the other six plans, were "in substantial accord" with those recommendations, and he urged that all of them be allowed to become law.

Now, Mr. Hoover was well aware that Plan No. 1 does not carry out all of the Commission's recommendations affecting the Federal Security Agency, which is the sole ground on which the Senator's unqualified denunciation rests. Both men are in full possession of the same facts. Yet Senator TAFT suggests a sinister explanation for them: By failing to set up an independent hospital and public health agency as recommended by the Commission, and by failing to transfer the Public Health Service to it, he asserts, as if there were no question about it, that Plan No. 1 actually will "make impossible for years to come the carrying out of the Commission's recommendations."

Mr. Hoover, on the other hand—and after all, he was the Chairman of the Hoover Commission—not only sees nothing sinister, but carefully explains that, according to the best judgment of the Hoover Commission's own lawyers, the President has no authority to establish the United Medical Administration. All of this, Mr. President, is in the published hearings of the Committee on Expenditures in the Executive Departments. Mr. Hoover testified at length there on June 30, 1949. If you will read his testimony, you will see that he took great pains to explain this point and make it clear, restating and repeating it time after time in answer to questions by committee members. It is all summarized in the minority report filed by the junior Senator from Minnesota and concurred in by the junior Senator from Maine. I believe every Senator has a copy of that minority report. You will find several exact quotations from Mr. Hoover's testimony beginning at the middle of page 4 and down to the middle of page 5. As you will see, he made it quite clear that the proposed United Medical Administration could be established only by the Congress, by specific legislation.

But the Senator from Ohio will accept the opinion of no one, apparently, but that of the Senator from Ohio. Completely undaunted, he brushes the chairman of the Hoover Commission aside and passes his own

judgment. "That," he said of Mr. Hoover's testimony, "is absolutely untrue."

Then Mr. President, the senior Senator from Ohio reveals a curious and unwonted lack of information on which to base such unswerving opinions in the face of such weighty authority. I must admit that it baffles me, knowing the Senator as I do and knowing the well-deserved reputation he has for precise and accurate information on all subjects. But this is what he says, and it is a very curious remark under the circumstances:

"If the Federal Security Agency can be made a department without any special reference in the reorganization act, then certainly the Public Health Service can be made a separate medical administration to which other functions can be transferred. I think," he goes on, "That many Senators did not realize that a new department could be created under the reorganization act * * *. But if that power was given, certainly the power was given to take the Public Health Service out and set up a separate medical administration."

Now, that statement comprises two major and incomprehensible errors.

First, it is evident that the Senator did not familiarize himself with the legislative history of the reorganization act, did not read the report which accompanied it from the Committee on Expenditures in the Executive Departments, did not hear the explanation of it which was given on the floor of the Senate by the senior Senator from Arkansas, and did not read, or remember, any of the numerous accounts of it in the press at the time. Otherwise, he would have known that the Senate committee deliberately changed the original reorganization bill, S. 526, so as to eliminate the prohibition against the creation of executive departments by reorganization plan. Had he investigated, he also would have learned that the President not only did not ask that this be done, but was not at first in favor of it. He would have learned, too, that the Senate conferees prevailed on this point in conference, and that the clear understanding on the part of everyone concerned was that the Senate committee intended that the President should use this means for converting the Federal Security Agency into a Department of Welfare. And he would have learned that on the basis of this understanding, debate already scheduled in the other House on a bill to create such a department was canceled. Finally, he would hardly have made the wholly unfair inference, as he did in his speech yesterday, that the President was somehow "pulling a fast one" on the Senate of the United States. I feel confident of this, for the distinguished Senator, I am sure, would never knowingly employ a false suggestion in order to discredit legislation he opposes.

The second major error also can be explained by a lack of research. The Senator is a very busy man. However, had he read the Hoover Commission report on medical activities, the task-force report on the same subject, and the supplement to the task-force report, he would have spared himself the embarrassment of several errors. It is conceivable, in fact, that he would not have become a sponsor of this veto resolution if he had first looked into all of the facts.

The suggestion that the only step necessary to carry out this recommendation of the Hoover Commission is to establish the Public Health Service as an independent medical administration and transfer other functions to it cannot have been derived from any part of the Hoover Commission reports. The Hoover Commission came to two different conclusions on this subject, neither of which bears the slightest resemblance to the proposal mentioned by Senator Taft. The Public Health Service is involved in both, to be sure, but the resemblance ends there.

As those who have read the Hoover Commission reports are aware, the Commission at first decided to recommend the establishment of a Department of Welfare almost precisely like the department to be established by Reorganization Plan No. 1, except that the health functions would include not only the present Public Health Service, but almost all of the veterans' and armed forces' hospitals and virtually all the other Government medical activities. The task force made its report, based on this decision, in November 1948, and it was published in January 1949. Then the Commission became embroiled in the whirlpool of medical politics, and finally changed its decision. In conformity with this change of direction, the task force filed a supplementary report, which was published in March. This merely lifted the entire medical function, as arranged in the first report, out of the proposed Department of Welfare and into a proposed United Medical Administration.

According to the lawyers who studied the problem, however, and with whom the Senator from Ohio so confidently disagrees, neither of these proposals could be carried out by reorganization plan. The reason they give is that the various commissioned and noncommissioned medical corps of the armed forces, the Veterans' Administration, and the Public Health Service could not be organized into a single, united service without entirely new legislation. Each is set up today under separate statutory provisions, with different salary scales, different recruitment systems, different promotion and rating systems, and many other divergencies, all spelled out in law. Yet in chapter XI of the main task-force report, dealing with personnel policies, the very first point to be stressed is that the organization of a single career service is requisite to the project. This could not be organized by executive action, but only on the basis of new legislation.

This, Mr. President, is what Mr. Hoover was talking about when he said it would be impossible for the President to establish the United Medical Administration by reorganization plan. Obviously, he cannot transfer the Public Health Service to that agency until it exists. This is what Mr. Hoover meant when he said—and I will quote him: "It is no criticism of the President's plan to point out that those bureaus cannot be transferred at the present moment."

For my part, I am willing to take Mr. Hoover's word about that.

But my friend, the distinguished Senator from Ohio, is still not satisfied. He has read a letter from the Federal Security Administrator, Mr. Oscar Ewing, to the chairman of the Committee on Expenditures in the Executive Departments, written in answer to the chairman's inquiry, in which he expresses his opposition to the United Medical Administration proposal.

It should be made clear at this point that Mr. Ewing is only one of many who oppose this recommendation, which was the compromise result of a profound disagreement within the Hoover Commission itself. Certainly, he has a perfect right to express an honest opinion, and I can see no justification whatsoever for the attacks that have been made upon Mr. Ewing solely because he made no attempt to evade this issue. Evasion would have been to his advantage. He might have avoided, thereby, some of these unfair, unfounded, and often vicious assaults. Personally, I wish we had more public servants who valued integrity above personal advantage.

I repeat, Mr. President, Mr. Ewing made no effort to evade this issue. He wrote to the chairman of the Senate committee and said he was opposed to the United Medical Administration proposal. He explained why in detail, and I believe that every Member of the Senate would agree that he was right, if they would only read that letter. In any

case, they would agree that he has an honest and valid point.

But what is the position, on this same issue, of those who ask us to kill Reorganization Plan No. 1, and who glory in attacking Ewing? The American Medical Association claims to be for the United Medical Administration. The American Dental Association claims to be for it. So does almost everyone else who urges us to vote today for this veto resolution.

But, Mr. President, a bill to create the United Medical Administration was introduced by the Senator from Utah, and has been resting in the Labor and Public Welfare Committee for a long while. It was written by the Hoover Commission lawyers specifically to carry out this recommendation. But has the American Medical Association gone to the Committee on Labor and Public Welfare and asked for hearings on that bill? No. They have not lifted one finger to support the proposal they claim to favor. Nor has the American Dental Association or anybody else.

The fact is that nobody likes the United Medical Administration, but only Oscar Ewing and the veterans' organizations have been forthright enough to say so, and to explain why.

The Senator from Ohio, however, would have us believe that the United Medical Administration is doomed simply because Mr. Ewing is opposed to it. He says so specifically. Then he quotes from Mr. Ewing's straightforward letter and finally tells us: "Obviously, therefore, no plan is ever going to be submitted setting up any separate medical administration." That, of course, is impossible, as I have explained. But Senator Taft goes on, and tell us that even Congress will not be able to do it. And why? Because, the Senator says, "It will be vetoed if we have once voted affirmatively respecting plan No. 1 and Ewing has become a Secretary in the Cabinet of the President."

With all respect, Mr. President, and with no intention of questioning the distinguished Senator's motives, I must point out that the entire purport of this argument is false. The impression is given—very carefully and deliberately, I should say, if I did not know the Senator so well—that unless we reject Reorganization Plan No. 1, we shall have lost our power to legislate in matters of health. This is both false and preposterous.

Nevertheless, this seems to be the gist of the Senator's argument.

The impression is given that the United Medical Administration would be doomed, that not even the Congress would have the power to save it, if Reorganization Plan No. 1 becomes law. Why? Because this plan would in some mysterious way make Oscar Ewing tremendously powerful. It is made to appear that the United Medical Administration is approved by everyone but Mr. Ewing, and that he would crush it with this strange and mighty power for purely sinister reasons of his own. The same suggestions, the same dark implications, ran through all the testimony against Reorganization Plan No. 1 in committee.

Yet not one of these witnesses who profess such fondness for the United Medical Administration will lift a finger to help it along. And every one of them knows perfectly well that Oscar Ewing has nothing, and can have nothing, to do with killing it. They know that it doesn't stand a chance, because all of the veterans' organizations are firmly opposed to it, and most of the services involved are veterans' services. It is as simple as that. There is nothing sinister, nothing mysterious about it.

But the attack against Ewing goes on.

After reading his speech in the Record this morning, I could hardly escape the conclusion that my friend, Senator Taft, who is normally so meticulous as to facts, had somehow allowed himself to be made the victim of the American Medical Association's

propagandists. At least, much of this speech has a very familiar ring. For instance, there is the same old accusation of "dictatorship" and the same well-worn allegation that the former Surgeon General and Commissioner of Education were driven out of the Federal Security Agency by Ewing oppression. They "resigned," Senator TART says, "largely because no independence was left to them in their proper function."

The Senator from Ohio can only have been misinformed, for I am sure he would not deliberately repeat such well-known falsehoods. The former Surgeon General, Dr. Parran, did not resign at all. He was not reappointed because he had already served three 4-year terms, and the commissioned officers of the Public Health Service resented such a long tenure at the top. It amounted to a cork in the bottle of promotions. Surely the Senator from Ohio can understand how they felt about that. I seem to recall that the Senator himself was fairly critical when another prominent public figure ran for a fourth term not so long ago.

As for Dr. Studebaker, the former Commissioner of Education, a Senate committee went into that case with a fine-toothed comb, as committees did so readily during the last Congress whenever a real or imagined opportunity arose to harass the administration. And in spite of the fact that Dr. Studebaker and Mr. Ewing were at opposite poles politically, that Republican-controlled committee ended its hearing in complete sympathy with Mr. Ewing. It thought so little of Studebaker's charges that it did not even file a report. Incidentally, Studebaker himself publicly explained his resignation as due to financial difficulties.

So much for the lesser inaccuracies and false impressions.

All of these, Mr. President, seem to me to be parts of the same general structure of misinformation and misrepresentation which has been built up jointly by those who hate the President's health proposals, those who dislike Mr. Ewing for political reasons, and those who will seize any stick to beat the broad social-welfare programs which have been established during the last 16 years.

The Senator from Ohio adds the superstructure on this jerry-built edifice of confusion and discord with his warning cry, which would be merely amusing if it came from a less imposing figure, that Reorganization Plan No. 1 would make Mr. Ewing a dictator in the fields of health, education, and security.

Mr. President, this is perfectly absurd. Does the Senator from Ohio suggest that Reorganization Plan No. 1 will dissolve the Senate and House of Representatives? Is the Senate abdicating its authority? Will not the Senate review whatever appointment the President may propose, and confirm or reject the nominee? And will the Secretary of Welfare not be subject to the same laws and the same regulations and answerable to the same President, Congress, and people as the Secretaries of all the other Cabinet departments?

Is the purpose of the Senator to frighten us by using such words as "dictator"? I think the Senate of the United States is not the place for that.

On the other hand, if the Senator wishes to debate the merits of Reorganization Plan No. 1 as against the merits of the bill he and the Senator from Arkansas proposed in the Eightieth Congress, as he seemed to suggest he would like to do, that is another matter. That question will be dealt with by my colleagues in due course. They will show that the plan the Senator from Ohio cherishes in preference to this one is in direct violation of all of the basic principles of executive management which were laid down by the Hoover Commission and upon which the Commission based all of its hopes for greater efficiency and economy in Government.

Mr. President, I plead with the Senator from Ohio, and with all other Senators, today to lift this debate to the same high level of nonpartisan, objective dedication to the public good which characterized the work of the Hoover Commission itself. Only in this way can we reach a decision which will be acceptable to the American people.

Mr. HUMPHREY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Chair is sorry, but the time of the Senator from Florida has expired.

Mr. McCLELLAN. Mr. President, I yield 5 minutes to the Senator from Nevada [Mr. MALONE].

REORGANIZATION PLAN NO. 1

Mr. MALONE. Mr. President, in the first place, a review of the proposed consolidation of departments under Reorganization Plan No. 1 shows that it is not really a consolidation; in the second place it is not a consolidation for economy; and in the third place it does not conform to the recommendations of the Hoover Commission. It is apparent from the plan itself that what it does is to throw these departments together in a haphazard manner, which could cost even more than the departments as they are now operating. In other words, it is not in fact a reorganization in accordance with the recommendations of the majority of the Hoover Commission.

It is with great regret that I oppose Reorganization Plan No. 1, or in fact any of the plans, because the act setting up the Commission on Organization of the Executive Branch of the Government was sponsored in the Eightieth Congress by my own party, and I am sincerely for economy, wherever we think efficiency will be improved or expense reduced, or both.

In throwing these organizations together haphazardly, the educational department is submerged and made to lose stature in the new organization.

Mr. President, in this connection I submit for the RECORD a group of telegrams from my State. I ask unanimous consent to have the telegrams printed at this point in the RECORD.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

CARSON CITY, NEV., August 12, 1949.
Hon. GEORGE W. MALONE,
United States Senator,
Senate Office Building,
Washington, D. C.:

Urge your strenuous opposition to Reorganization Plan No. 1 unless United States Commissioner of Education given greater recognition as administrative official and not placed under domination of an Assistant Secretary. School leaders throughout Nation desire establishment of National Board of Education in accordance with S. 656. Untenable to degrade one of the most important functions of Government, education, by passage of Reorganization Plan No. 1.

Regards,

MILDRED BRAY,
State Superintendent of Public Instruction.

AUGUST 13, 1949.

MILDRED BRAY,
Superintendent of Public Instruction,
Carson City, Nev.:
Reurtel opposing Reorganization Plan No. 1, there seems little chance that any liberalization of the plan could be effected as you suggest. Had not decided definitely relative

to Reorganization Plan No. 1 which will be voted on Tuesday. If necessary to oppose the recommendations of the Commission on Organization of the Executive Branch of the Government, it would be with great regret, since we created the Commission in 1947 with great hopes of thinning out and simplifying the complicated mass of Government boards, bureaus, committees, and commission with which Government is infested. We also hoped for some taxpayer relief. Do the educators of our State generally feel as you do about Reorganization Plan No. 1? Is it feasible for you to contact some of them by wire and either have them wire me direct or let me hear from you again with their reaction to the plan? Am leaning heavily on superintendents of schools throughout the State for advice in such matters, since I have known many of them since university days and feel their experience and considered judgment should prevail in such matters.

Regards,

GEORGE W. MALONE,
United States Senator.

STATE OF NEVADA,
DEPARTMENT OF EDUCATION,
Carson City, August 12, 1949.
Hon. GEORGE W. MALONE,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR GEORGE: Strongly as I believe in many features of the Hoover reorganization plan, I am definitely opposed to Reorganization Plan No. 1 as it is now written, which places the United States Office of Education in a subservient position.

Frankly, GEORGE, education is too important to have the United States Commissioner of Education under an Assistant Secretary. Educators all over the country believe that the United States Commissioner of Education should have a place on the President's Cabinet, and that education, being the most important function of government and the foundation upon which our system of government certainly rests, should be strengthened instead of weakened through congressional action.

I trust that you will give the telegram I sent you earlier today, copy of which is enclosed, your very serious consideration. I hope that you will discuss it, if you have any doubts about the attitude of educators on this subject, with Dr. Edgar Fuller, executive secretary of the National Council of Chief State School Officers. His office is in the National Education Association Building, 1201 Sixteenth Street NW., Washington, D. C.

I am hoping that I shall see you at the Elko State Fair next month.

Cordially yours,

MILDRED BRAY,
State Superintendent of Public Instruction.

WINNEMUCCA, NEV., August 1, 1949.
Senator GEORGE W. MALONE,
Senate Office Building,
Washington, D. C.:

Respectfully request you consider my opposition to Truman Reorganization Plan No. 1 giving Cabinet status to Federal Security Agency. For past 12 years have been actively interested in State of Nevada Legislature in medical legislation.

A. V. TALLMAN.

DEETH, NEV., August 3, 1949.
Hon. GEORGE W. MALONE,
Senate Office Building,
Washington, D. C.:

Urge your participation in, or, if need be, become the prime mover of Senate initiative to prevent the raising of Oscar Ewing to Cabinet status. If such rise in status is consummated by default, you will have contributed substantially to bring in closer the welfare state. Why not be honest with the people and strive to protect their guaranteed

liberty by reducing taxes and making genuine reduction in cost of Government through application of the Hoover Commission recommendations rather than selling them a mess of pottage.

WM. B. WRIGHT.

EUREKA, NEV., July 13, 1949.

HON. GEORGE MALONE,

United States Senate,

Washington, D. C.:

Eureka's Lions Club at last regular meeting July 7 cast motion unanimously urging your support to oppose socialized medicine and free trade on metals. The latter especially is unjust to miners industry of the country if the restored tariff would help bring back producers now shut down.

GILBERT BEGO,

President, Eureka Lions Club.

AUGUST 9, 1949.

GILBERT BEGO,

President, Eureka Lions Club,

Eureka, Nev.:

Re your telegram July 13, oppose Reorganization Plan No. 1 as it is presently constituted and will watch. Also oppose free trade on metals. Letter follows.

GEORGE W. MALONE,

United States Senate.

AUGUST 10, 1949.

MR. GILBERT BEGO,

President, Eureka Lions Club,

Eureka, Nev.

DEAR MR. BEGO: This is with further reference to your telegram dated July 13 concerning socialized medicine and free tariffs on metals.

As per my telegram to you yesterday, you will note that I am opposed to socialized medicine, and to the Reorganization Plan No. 1 as it is presently constituted.

In connection with the tariff question, I am enclosing herewith reprint from the CONGRESSIONAL RECORD of May 27 and 31 of this year, which contains the flexible import fee bill which I introduced, and discussion in the Senate on this subject. I feel that this would save our mining industry, and would appreciate your reviewing this material, and giving me your critical comments on it.

Sincerely,

GEORGE W. MALONE.

RENO, NEV., August 2, 1949.

HON. GEORGE W. MALONE,

Senate Office Building,

Washington, D. C.:

At a special board of directors meeting of the Reno Lions Club held today the club went on record as being against Reorganization Plan No. 1 and any other measures leading to government by edict rather than by legislative measures.

RENO LIONS CLUB,

GEO. F. HAMILTON,

Secretary.

RENO, NEV., August 2, 1949.

HON. GEORGE MALONE,

Senate Office Building,

Washington, D. C.:

As an individual I am heartily in accord with action taken today by Reno Lions Club, reference Reorganization Plan No. 1.

JAMES POLLARD.

RENO, NEV., July 19, 1949.

Senator GEORGE W. MALONE,

Senate Office Building,

Washington, D. C.:

After careful and exhaustive study of Reorganization Plan No. 1 of 1949 we are agreed

to oppose this measure with every democratic weapon at our command. Inevitably this plan would pave the way to final destruction of free enterprise in American medicine and surgery. Oscar Ewing and his aides in whom we have no trust at all would be law, take over the entire American health program. Why ignore the Hoover Commission report if reorganization is of national interest at this time.

R. E. WYMAN, M. D.,

President, Nevada State

Medical Association.

NEVADA STATE MEDICAL ASSOCIATION,

Reno, Nev., August 6, 1949.

Senator GEORGE W. MALONE,

Senate Office Building,

Washington, D. C.

DEAR SENATOR MALONE: I have had a letter from Vinton (Muller) telling me that he talked with you about Reorganization Plan No. 1. The Nevada State Medical Association is grateful to you for your stand against this dictatorial and socialistic step.

We are told that the Fulbright Resolution (S. R. 147) will likely come to vote during the week of August 8. We all hope that you will be able to be there to vote for it. The socializers in both parties will be tireless in their efforts to get plan No. 1 adopted.

Again thanking you for your interest and cooperation, I am

Sincerely yours,

ROLAND STAHR.

August 11, 1949.

Dr. ROLAND STAHR, *Secretary,*

Nevada State Medical Association,

Reno, Nevada.

DEAR DR. STAHR: I have your note of August 6, and I intend to support Senate Resolution 147. I have already talked with BILL FULBRIGHT about it. I do not like the Reorganization Plan No. 1 as presently constituted.

I am enclosing copy of an article appearing in the August issue of the American magazine, and would like your reaction to it.

Sincerely,

GEORGE W. MALONE.

RENO, NEVADA, August 2, 1949.

HON. G. W. MALONE,

United States Senator,

Senate Office Building,

Washington, D. C.

DEAR SENATOR MALONE: The following telegram has been sent to Senator JOHN L. McCLELLAN:

"Object to reorganization Plan No. 1, effect of which is to give Cabinet standing to Mr. Ewing, Federal Security Administrator."

With best regards,

Sincerely yours,

DOUGLAS A. BUSEY.

August 11, 1949.

Mr. DOUGLAS A. BUSEY,

Reno, Nevada.

DEAR DOUG: I have your note of August 2, and I intend to support Senate Resolution 147. I have already discussed it with Senator FULBRIGHT, and am opposed to Reorganization Plan No. 1 as presently constituted.

Sincerely,

GEORGE W. MALONE.

CHICAGO, ILL., August 12, 1949.

HON. GEORGE W. MALONE,

Senate Office Building,

Washington, D. C.:

Senate Resolution 147 opposes Reorganization Plan No. 1 which would create a Department of Welfare with a secretary of cabinet rank. This plan would place vital health

matters including the assaying of drugs under control of nonprofessional and political domination. It differs materially from the Hoover Commission recommendation. The National Association of Retail Druggists numbering 34,000 practicing their profession in every State of the Union and the District of Columbia respectfully requests that you favor Senate Resolution 147.

JOHN W. DARGAVEL,

Executive Secretary, National

Association of Retail Druggists.

RENO, NEV., August 1, 1949.

Senator GEORGE MALONE,

Senate Office Building,

Washington, D. C.:

I have just sent the following telegram to Senator JOHN L. McCLELLAN.

"I object to Reorganization Plan No. 1 elevating Mr. Ewing the social administrator to Secretary of Welfare as a Cabinet Member would prefer suggestions made by the Hoover Commission."

LOUIS J. CAPURRO, Jr.

RENO, NEV., August 1, 1949.

Senator MALONE,

Senate Office Building,

Washington, D. C.:

Washoe County Medical Society strongly opposes Truman Reorganization Plan No. 1.

ERNEST W. MACK, M. D.,

President.

RENO, NEV., August 1, 1949.

Senator GEORGE MALONE,

Senate Office Building,

Washington, D. C.:

Will you please oppose Reorganization Plan No. 1.

JESSE W. SMITH.

RENO, NEV., August 3, 1949.

Senator GEORGE W. MALONE,

Senate Office Building,

Washington, D. C.:

Our organization asks your full support of Senate Resolution No. 147 and that you do all you can to defeat Reorganization Plan No. 1 for the best interests of our State and country.

Nevada State Pharmaceutical Association,

RAY W. FLEMING, *President.*

EASTLEY, NEV., August 2, 1949.

Senator GEORGE W. MALONE,

Washington, D. C.:

Earnestly request you use your best efforts to defeat Reorganization Plan No. 1; regards.

THOMAS A. SMITH.

LAS VEGAS, NEV., August 3, 1949.

Senator GEORGE MALONE,

Senate Office Building,

Washington, D. C.:

The dentists of Clark County respectfully request that you vote in favor of Senate Resolution 147.

Dr. QUANNAH S. McCALL,

Secretary and Treasurer, Clark County Dental Society.

RENO, NEV., August 3, 1949.

Hon. Senator GEORGE MALONE,

Senate Office Building,

Washington, D. C.:

As councilor for American College of Radiology representing radiologists in Nevada, I strongly urge voting for Fulbright-Taft-Hunt Senate Resolution 147 in preference to President's Reorganization Plan No. 1, which is detrimental to interests of private practice of medicine. Believe this wire follows similar request made recently by representatives of Nevada State Medical Association.

MORTON J. THORPE, M. D.

LAS VEGAS, NEV., August 3, 1949.
 Senator GEORGE MALONE,
Senate Office Building,
Washington, D. C.:

We respectfully request that you vote in favor of Senate Resolution 147, introduced by Senators HUNT, TAFT, and FULBRIGHT.

DR. CLIFFORD A. PAIN,
Secretary and Treasurer, Nevada State Dental Association.

RENO, NEV., August 2, 1949.
 Senator GEORGE W. MALONE,
Senate Office Building,
Washington, D. C.:

In regards to bill 147 I would like to say I personally think it a good thing. Hope that Reorganization Plan No. 1 does not go through. I am very much opposed to it.

Kindest regards.

RAYMOND I. SMITH.

RENO, NEV., August 9, 1949.
 Senator GEORGE W. MALONE,
Senate Office Building,
Washington, D. C.:

As State of Nevada representative International Chiropractors Association, members request you vote "No" Taft-Hunt-Fulbright resolution regarding United Medical Department creating medical monopoly control key Cabinet position. Further request you wire your position on this vote.

JACK C. BUCHHOLZ, D. C.

AUGUST 11, 1949.

Dr. JACK C. BUCHHOLZ,
Reno, Nev.:

Reurtel August 9 oppose Reorganization Plan No. 1 as it is presently constituted and will watch.

GEORGE W. MALONE,
United States Senate.

AUGUST 13, 1949.

EARL WOOSTER,
Superintendent of Reno Schools,
Reno, Nev.:

We are voting on the President's Reorganization Plan No. 1 on Tuesday with which you are no doubt familiar. I have received wire from Mildred Bray, State superintendent of public instruction, opposing this resolution on ground that it is "untenable to degrade one of most important functions of Government, education, by passage of Reorganization Plan No. 1." Would like your personal reaction to this plan. Regards.

GEORGE W. MALONE,
United States Senator.

WASHINGTON, D. C., August 11, 1949.
 Hon. GEORGE W. MALONE,
Senate Office Building,
Washington, D. C.:

Personally and on behalf of 8,000,000 members of American Federation of Labor unions and their families concerned with administration of Government agencies dealing with vital matters of education, health, and welfare, urge you to support the President's Reorganization Plan No. 1 to create a Department of Public Welfare in accordance with recommendations of Hoover Commission.

WILLIAM GREEN,
President, American Federation of Labor.

WASHINGTON, D. C., August 15, 1949.
 Hon. Senator MALONE,
Senate Office Building,
Washington, D. C.:

Strongly urge you give full support to vitally needed Reorganization Plans 1 and 2. Plan No. 1 is necessary to place welfare activities under Cabinet officer in the interest of human need and efficiency. Plan No. 2 is necessary to assure the administration of employment services and unemployment compensation in a manner which protects

the interests of both employers and workers. To accomplish both these objectives we urge you to vote against resolutions immediately due for floor action which reject the President's Reorganization Plans 1 and 2.

NATHAN E. COWAN,
CIO Legislative Director.

RENO, NEV., August 14, 1949.
 Senator GEORGE W. MALONE,
Senate Chambers, Washington, D. C.:
 Favor Government Reorganization Plan No. 1.

EARL WOOSTER.

Mr. MALONE. Mr. President, most of these telegrams are of the same tenor. All but three oppose the reorganization plan, for the principal reason that it would submerge a great department of Government, and would bring together, without a real reorganization, or economy, important unrelated branches of our Government, all under a social security set-up, which will not result in either efficiency or economy, and which will probably prevent any future reorganization contemplated and recommended by the 1948 Commission—now known as the Hoover Commission.

Mr. President, I subscribe generally to the conclusions and recommendations of the Senate Committee on Expenditures in the Executive Departments:

First. The plan does not conform to the recommendations of the Commission on Organization of the Executive Branch of the Government for the establishment of a Department of Welfare, primarily in that it omits the Commission's recommendation relating to consolidation of all major Federal medical facilities, including the Public Health Service, in a proposed independent United Medical Administration.

Second. The functions of health, and education, to a lesser extent, have been dominated by and subordinated to the function of welfare by the Federal Security Agency, to the detriment of the former. The power which accompanies departmental status and the increased prestige which the Secretary of Welfare would gain would augment this existing trend toward subordination of education and health to welfare.

Third. Further, the plan, by virtue of section 2, (b), (c) which vests in the Secretary of Welfare authority to consolidate and to delegate functions, with minor reservations, destroys any degree of independence, or autonomy, the Public Health Service and the Office of Education presently enjoy. The plan actually gives the Secretary of Welfare complete control over all functions of the Department, authorizing him to reorganize them, within statutory limitations, in such a manner as to give the Secretary outright domination over administration of the health, education, and welfare activities of the Government.

Fourth. No economies could be expected to be achieved in the immediate future from conversion of the Federal Security Agency to a Department of Welfare.

Mr. President, if this plan is rejected the President may in his own time reconsider the Reorganization Plan No. 1 and submit a new more workable plan to the Congress at a later date.

A rejection of this specific plan can in no way be considered a rejection of the recommendations of the Commission on Reorganization of the Executive Branch of the Government created by the Eightieth Congress.

We have passed a bill for reorganization of the Armed Services. We have passed a bill creating a General Service Agency, and I know of no plans to oppose plans Nos. 3, 4, 5, and 6.

Mr. McCLELLAN. Mr. President, I yield 20 minutes to the senior Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 20 minutes.

Mr. TAFT. Mr. President, I spoke yesterday on this subject comprehensively. I wish to add only one point.

The main question is whether this Reorganization Plan No. 1 is or is not in accordance with the Hoover reorganization plan. Although yesterday the Senator from Illinois properly pointed out that we are not bound by all the details of the Hoover plan and we may properly differ with the Hoover plan in one place or another, yet at the present time I think most Senators wish to approve the Hoover reorganization plan. In my opinion, Reorganization Plan No. 1, so-called, is not in accordance with the Hoover plan. Approval of this reorganization plan would do far more to discredit the Hoover plan and do far more to prevent its ultimate adoption than the rejection of Plan No. 1 would do.

The Hoover reorganization plan contains a great many different features. Apparently the Hoover Commission prepared plans or recommendations or statutes which it sent to the President. The President apparently sent them to the Bureau of the Budget, and the Bureau of the Budget in many cases has rewritten them. In nearly every case the actual plan or proposed statute submitted to Congress covers only a part of the Hoover plan recommendations.

We have to decide whether Reorganization Plan No. 1 is sufficiently in accordance with the Hoover plan so that we should adopt it. Is it substantially in accordance with the Hoover plan or is it substantially in violation of the Hoover plan?

It is said if we reject plan No. 1, that action will in some way discredit the Hoover report. That is the President's argument, namely, that in some way we shall then make it impossible to go on with reorganization.

Mr. President, in the first place, let me call attention to the fact that we already have taken some eight different substantial steps in furtherance of the Hoover plan. We already have approved a Reorganization Act which gives the President of the United States greater power to reorganize, I think, than is given in any other bill the Congress has passed. That was the first step in carrying out the Hoover plan.

In the second place, we passed a bill reorganizing the armed services substantially in accordance with the Hoover plan. That bill has been passed by both Houses of Congress and has been signed by the President.

In the third place, we passed a bill creating a general services agency, which is somewhat in accordance with the Hoover plan, although it does some things which I think are in violation of it and are likely to prevent the ultimate carrying out of other features of that plan. Still, we decided that on the whole it was in substantial accordance with the Hoover plan, and we approved it.

Those are three steps we have taken.

Plans 4, 5, 6, and 7 have been submitted. All of them become law day after tomorrow, if no action is taken by the Congress on them; and so far as I know, no action is proposed to be taken by Congress on those plans.

So, Mr. President, we have taken eight substantial steps in carrying out the Hoover plan.

The one now before us happens to be called plan No. 1; but in effect it is plan No. 9, so far as we are concerned.

Here, for the first time, we encounter a recommendation of the Administration which in my opinion is in violation of the Hoover plan, not in accordance with it. By the plan now before us, a Department of Welfare would be created.

Mr. PEPPER. Mr. President, does the Senator from Ohio care to yield?

Mr. TAFT. I yield to the Senator from Florida.

Mr. PEPPER. Mr. President, if the health agency were not to be incorporated in the Department of Welfare, in what group does the Senator from Ohio contemplate it would be located?

Mr. TAFT. The Hoover recommendation is certainly very definite and clear. The Hoover Commission would create an independent, united medical administration which would combine many other health features of the Federal Government, as well as the Public Health Service and one or two other health services which now are in the Federal Security Agency.

Mr. PEPPER. Mr. President, will the Senator yield further?

Mr. TAFT. I yield.

Mr. PEPPER. The Senator is quite aware, is he not, of the determined opposition of the veterans' organizations to including the veterans' hospitals in such a united medical agency?

Mr. TAFT. Certainly, I am quite willing to admit that the feature regarding a united medical administration is a controversial feature, with which I hope we may be able to deal. But I do not see how we ever shall be able to deal with it. The administration could have avoided that if it had wished to do so. The administration could have put in this plan provision for an independent medical administration. The administration could have proposed the creation, out of the Public Health Service, of an independent medical administration. At least all the noncontroversial things could be transferred to such an administration, and I would hope, some of the controversial things.

Surely the President is preparing to carry out a plan. In this plan he could have created the United Medical Administration, and he certainly could have put in most of the things recommended by the Hoover Commission. If he wanted

to reserve the transfer of one thing, veterans' hospitals perhaps, he could have reserved that, and there would have been no violation of the plan. But it was perfectly possible. I believe very strongly that Mr. Hoover was misled. When he inquired, "Why is not this in accordance with my plan?" he was told, "Oh, we could not do that legally; we could not put that in the plan." Indeed, I think he certainly was misled, according to his own testimony, because if there can be created under this bill a Department of Welfare out of the Federal Security Agency, changing its name and setting it up as a department, certainly it would be possible to take the Public Health Service and set it up as an independent medical administration with an independent head, responsible directly to the President, and it would have been possible to add to it such additional health services from other departments as the President chose to add.

If he had not added all those things that were recommended by Mr. Hoover, I should not be criticizing him. I do not object to taking one thing, if it is in no way going to interfere with the next step. The difficulty with this procedure is that, once we create a department, once we put Oscar Ewing in the Cabinet in charge of this Department, with his definite, determined statement that he is absolutely opposed to a separate medical administration, then I think it will become impossible ever to get such a separate medical administration.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. PEPPER. Mr. President, did not the able Senator from Ohio and the able Senator from Arkansas [Mr. FULBRIGHT], in Senate bill 140, group together social security, health, and education, just as the President has done in plan No. 1?

Mr. TAFT. We did, and for 2 years or 4 years we have been struggling to establish the fundamental principle that health and education shall be practically autonomous in that department. The bill which was recommended by the committee, which we finally approved, was a bill with no overhead organization other than the Cabinet officer himself, but provided, in effect, for a Department of Health, a Department of Security, and a Department of Education, each one under an Under Secretary responsible directly to the Secretary only. Because these three things are completely different in function, there is no logical reason under the Reorganization bill for including them all in one department. But we felt then, and I feel now, that these are matters in which the Federal Government does not have primary responsibility, but the States and localities in all three cases have the primary responsibility, and therefore, since we cannot very well say that each one is important enough to have a Cabinet officer, I was willing to have one Cabinet officer and have the three under him, if they were autonomous, if each of those Departments could operate—a Department of Health under a health man who knew something about health, an Educational Department under a man who knew

something about education, and the Security Department under a man who knew something about security.

Mr. PEPPER. Mr. President, if the Senator will yield, I shall not impose but a moment more upon him. Will the Senator allow me one further question?

Mr. TAFT. I have a limited amount of time.

Mr. PEPPER. Under Reorganization Plan No. 1, there is one Under Secretary; then there are three assistant secretaries. Is it not logical and reasonable to suppose that the three assistant secretaries would be relatively and respectively assigned to the three great groups and units namely, social security, health, and education, making up this department?

Mr. TAFT. I do not know what it is reasonable to assume, but I doubt very much if there is any such reasonable assumption. Consider the present set-up of the Federal Security Agency. I turn to the Congressional Directory for that. At page 417 we find that over and above the Surgeon General and the Public Health Service, over and above the Social Security Administration, over and above the Director of the Office of Education, there is the Federal Security Administrator. There is an assistant Federal Security Administrator, Mr. J. Donald Kingsley, a gentleman who certainly has been at least very frequently with Communists; an assistant administrator for program, a commissioner for special services, two assistants to the Administrator, an executive assistant to the Administrator, a general counsel, a director of research, a director of publications and reports, a director of interagency and international relations, a director of Federal-State relations, and a director of field services. This is the staff of the Federal Security Administration, and we can assume there would be a still larger staff if it were created into a department.

The overhead organization completely dominates and supervises health and educational activities, and, because of that, Dr. Parran, resigned as Surgeon General of the Public Health Service, after many years, and Mr. Studebaker resigned from the Office of Education after many years. They resigned because they were completely subjected to and directed in matters of policy by this overhead organization and unable any longer successfully to operate their departments independently.

Mr. PEPPER. Mr. President, is not that inherent in any centralization process? Did not the Secretary of the Navy resign when Congress provided for the unification of the armed services?

Mr. TAFT. Exactly. But armed services are one weapon in war, they are one weapon in peace; whereas health, education, and welfare are completely different in their whole functional purpose and organization. At the local level, in Ohio, at least, we have kept our schools completely separate, even from city and county government. They are independent agencies of government. In most of the States an independent director of education is elected. In every State and city that I know of, welfare and health are completely separate. The two are administered

separately, and there is no similarity between them, except the general fact that they are all local services primarily, and the Federal Government is in a secondary role. It seemed reasonable, since there was no primary role, that at least those three services—health, education, and welfare—should have a representative in the Cabinet who would speak for them when the President's advisers gathered around. That was the nature of the bill which the Senator from Arkansas and I introduced.

Mr. THYE. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. THYE. Mr. President, I am wholly in accord with the senior Senator from Ohio in his remarks on this question. I believe the Senator was off the floor earlier in the afternoon when I made the statement that, were it possible for me to offer and obtain adoption of an amendment to the reorganization plan, making it mandatory that a professional medical man be the Cabinet officer, I should then feel more comfortable in voting for Reorganization Plan No. 1, knowing that if the agency was headed by a professional medical man, we might have an opportunity at some future time to amend the Reorganization Act and make possible the adoption of the Hoover recommendation by setting up an independent agency for the medical division of the Federal Government. But if we adopt Reorganization Plan No. 1 as now proposed, I know the President will veto any attempt on the part of Congress at some future time to separate the medical division from the agency having the Cabinet status which we would give it under the reorganization plan. So for that reason, I personally cannot support the pending Reorganization Plan No. 1, knowing full well that we could never at any future time separate the medical agency and establish it as an independent agency, as the Hoover Commission recommends.

Mr. TAFT. Mr. President, I may say that if this plan is rejected, the President will still have the opportunity at any moment to submit another plan. As a matter of fact, the Committee on Expenditures in the Executive Departments is prepared to proceed at once, I understand, to consider the proper working out of this particular situation, including a separate medical administration in the department. I can understand Mr. Hoover's feeling about it. He does not like to criticize the President. He is trying so far as he can to work with the President, but I do not find that Mr. Hoover's recommendations of plan No. 1 is what I would call enthusiastic. He points out particularly:

The Commission found difficulty as to the name of this new department. It recommended that it be elevated to department status. Some of us felt that the word "welfare" carried unfortunate connotations, including the implication of the objectionable connotation of a welfare state.

Unlike the Senator from Minnesota, he does not like that connotation.

Under our plan the new department's function would be limited to education and social security. The sentiment of the majority of our Commission seemed to be that

it should be called the Department of Education and Security, rather than the Department of Welfare, although no formal action was taken by the Commission on that point.

I have a very strong feeling that if we once approve the idea of the Budget Bureau, and the administration can pick out those things they like in the Hoover plan and postpone for action later on everything that is difficult, we are never going to consummate the Hoover plan. We are going to have all the features of the Hoover plan which increase salaries, all the features of the Hoover plan which increase powers, all the features of the Hoover plan which provide more personnel to serve under the director, but we are never going to get the part that cuts out anyone; we are never going to get the part that provides any economy whatever.

There is certainly no economy in this set-up. We simply take the Federal Security Administration and boost it into a department of the Federal Government. Mr. Ewing will be Secretary instead of Administrator.

There is one feature of the plan which, in my judgment, is exceedingly dangerous, namely, the sweeping provision that the Secretary shall have all the powers of all constituent agencies of the Federal Security Administration. We gave power to the Surgeon General to approve certain plans. Then we established a hospital board. There is an appeal from the Surgeon General to the hospital board. That board has certain functions and the Surgeon General has certain functions. Under this plan, all those functions are transferred to the new Secretary, and he can redistribute them as he sees fit. He can, as I understand, abolish the advisory board. He has complete power over health, education, and social security. No one can learn enough about all three of those subjects to exercise wisely the power which is granted in this reorganization plan to direct all health activities, all welfare activities, and all education activities. He cannot make himself enough of an expert to do that. It seems to me very evident that Congress is interested in setting up certain health powers and giving them to the Health Department, setting up education powers and giving them to an education department, and setting up other powers and giving them to the Federal Security Administration. This plan, in my opinion, prevents the final carrying out of the Hoover plan to establish a separate medical administration. We may think it is wise or we may not think so, but it is perfectly clear that if we approve this plan we shall never have a separate medical administration. We only encourage the submission to us of plans containing the things the administration likes and rejecting those things it does not like. I read yesterday a list of departments, every one of which is strongly in favor of greater personnel. Every department is in favor of more powers, and every department criticizes and resists any recommendation that may bring about economy or may bring about a consolidation of agencies.

The PRESIDING OFFICER. The time of the Senator from Ohio has been extended 3 minutes.

Mr. TAFT. There is a good deal of evidence in that respect in the plans we have already had presented to us. I pointed out that in the State Department plan there were two new Assistant Secretaries. The President did not abolish the council which the Hoover plan said should be abolished. The council was retained in the reorganization of the State Department.

In plan No. 2 the administration has chosen four or five things to be transferred to the Labor Department. One thing has been administration policy for 4 years and has always been opposed to congressional policy, and that one thing has been transferred without transferring others. I do not think that is the same kind of violation which is involved in this case, because the others can be transferred; but under the establishment which now exists I am absolutely confident that there will never be an independent medical administration unless we provide for it.

What does the Hoover Commission recommend? It recommends a department which includes welfare and education. The plan which has been submitted includes welfare, education, and health. It is certainly an entirely different kind of department, which changes the whole nature of the department recommended by the Hoover Commission.

So, Mr. President, far from its being a repudiation of the Hoover plan, our rejection sets a course of action which will tell the executive department that if it wishes the Congress to approve its plans on the grounds of being Hoover Commission recommendations, the plans must be submitted in accordance with those recommendations, and it cannot use the Hoover recommendations to further particular philosophies of government which the executive department approves.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. HUMPHREY. In view of the Senator's remarks, I wonder if he is familiar with the recent letter from the chairman of the Citizen's Committee, Mr. Robert L. Johnson. I wonder, also, if the Senator is familiar with the telegram read this morning by the distinguished Senator from Louisiana [Mr. ELLENDER] from former President Hoover.

Mr. TAFT. Yes; I am thoroughly familiar with the Hoover statement. He said:

I likewise supported plan No. 1 and outlined that the further imperative steps recommended by the Commission are the separation of all health and labor agencies from the new department, and reorganization of budgeting, accounting, and personnel methods.

Mr. Hoover is not here, and he does not realize the history behind all this. He does not realize that his next step is an impossible step for Congress to take. He does not realize that it could have been put into this plan, because he was told that legally it could not be done. Every lawyer agrees that it could have

been done if the administration had wished to do it. He went on to say:

The Commission did not recommend the term "welfare" as the name of the department, but inclined to the term "education and social security." The recommended reorganization will of course not be effective until these further steps are undertaken.

I think Mr. Hoover does not realize that those steps never will and never can be taken if we once approve this plan.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. TAFT. My time has expired.

Mr. HUMPHREY. I shall take a half minute of my time to say that the junior Senator from Minnesota was very courteous and gracious in yielding plenty of time for interrogation, and I hoped that the senior Senator from Ohio would accord me the same privilege. After a direct and, one might say, a dogmatic statement as to what his objections were to Reorganization Plan No. 1, I will take a moment—

Mr. TAFT. I shall be glad to answer the Senator in his time.

Mr. HUMPHREY. The Senator from Minnesota will take 1 minute of his own time at the moment.

The Senator from Ohio has clearly stated that it is impossible to get medical legislation, and, on the other hand, he has criticized the program of the President because he has included an independent health program in the reorganization plan, which adds up to what? If it is impossible to get a united medical administration because of some kind of opposition—and apparently the Senator thinks it is impossible to get this reorganization plan through because of his opposition—how are we going to get any kind of reorganization so long as there is that kind of an attitude, in which the Senator from Ohio himself advocates resisting this moderate plan? Added to what he has already said regarding his opposition to the united medical administration, what do we find? We find what we have found on other occasions. There is something we cannot do now and that we cannot do tomorrow, and, hocus-pocus hicky-mocus, it adds up to nothing.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter which appeared in the Washington Post on August 10, 1949, by Elizabeth Wickenden, Washington representative of the American Public Welfare Association.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WELFARE DEPARTMENT

All over the country today, people working in the fields of health, welfare, and education are experiencing a bitter disappointment because of the action of the Senate Expenditures Committee in recommending against Reorganization Plan No. 1 to elevate the Federal Security Agency to a department of welfare.

It seems most unfortunate that the wholly irrelevant issue of health insurance should be permitted to confuse the simple issue of giving these functions the prestige and recognition of Cabinet representation. No program of health insurance can be undertaken by the proposed department or any other Federal agency unless Congress enacts

a law for that purpose, which is not soon likely. On the other hand the present social insurance and grant-in-aid programs of the Federal Security Agency, widely supported and noncontroversial in character, have reached a scope which leaders in these fields have long felt warranted a regular department at the Cabinet level.

As evidence of this support the following is pertinent: In 1947 the American Council on Education and the National Social Welfare Assembly, central clearinghouse organizations for virtually all national associations in these fields, set up a joint committee composed of a group of distinguished and representative leaders in all areas of health, welfare, and education. Many meetings were held, a careful report was prepared and recommendations made for a combined department as proposed in Reorganization Plan No. 1. Among other things this report recommended that "an executive department of health, education, and security, headed by a Secretary of Cabinet rank, be established at this time by the Congress of the United States" and further "that this objective be accomplished by legislation converting the existing Federal Security Agency into such an executive department and transferring the powers and duties of the Agency and its Administrator to the new Department and its Secretary." This is exactly what Reorganization Plan No. 1 does.

Earlier in 1945 the committee on reorganization of community services of the Woman's Foundation of which Mrs. Agnes Meyer and Dr. Leonard Mayo, vice president of Western Reserve University, served as cochairman likewise recommended "an inclusive Federal department of education, health, recreation, welfare, and social insurance." This committee, likewise, was composed of distinguished representatives in these fields. Many previous proposals had been made going back to the Harding administration.

At the recent hearings on Reorganization Plan No. 1 statements in behalf of the plan were submitted by the following organizations among others: American Public Health Association, American Council on Education, American Public Welfare Association, Congress of Industrial Organizations, American Federation of Labor, American Legion, Family Service Association of America, National Association for the Advancement of Colored People, Council of Social Action of the Congregational Church, American Association of Social Workers, National Federation of Settlements, and Disabled American Veterans.

I have cited these facts as evidence that this proposal for a Department of Welfare represents the historical culmination of long-felt aspiration on the part of an important segment of American life.

It is hoped that the Senate will recognize this proposal as such, and permit the plan to become law, thus giving to millions of Americans the reassurance that the welfare of our own people is a concern of Government on an equal footing with our foreign affairs, our national defense, agriculture, business, labor, natural resources, and law enforcement.

ELIZABETH WICKENDEN,
Washington Representative, American
Public Welfare Association.

Mr. LUCAS. Mr. President—

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. LUCAS. Mr. President, one of the most remarkable and amazing statements I have heard on the floor of the Senate in a long time was just uttered by the distinguished Senator from Ohio [Mr. TAFT], when he took Mr. Herbert Hoover, former President of the United States, to task by telling the Senate and

the country that Hoover did not realize what he was doing, after putting in month upon month of constant study upon one of the most important reorganization plans which has ever been submitted to the Congress of the United States. Furthermore, if we should judge what the Senator from Ohio has said as being the truth, then the Senator from Ohio is the only lawyer in the country who understands this matter perfectly and properly, and all the lawyers who were around Mr. Hoover's Commission knew absolutely nothing about what they were doing with respect to the one point that is here in issue, namely, the point dealing with the united medical services.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. LUCAS. My time is limited. The Senator made quite a speech, and I am trying to answer it.

I repeat, I am shocked and surprised to find that a good Republican from Ohio would deal with Mr. Hoover in any such manner. I can understand how a Democrat perhaps might take Mr. Hoover apart, but it is a little difficult for me to understand how the Senator from Ohio can do this, in view of the long hours, and the days, and the weeks, and the months, which were spent by this servant of the people in connection with this reorganization plan.

Mr. President, on August 12, Mr. Johnson, who heads the Citizens Committee for the Hoover Report, wrote to the President of the United States. I shall omit the first paragraph of his letter. Mr. Johnson said:

Analysis shows that plan No. 1 contains two of the six major recommendations of the Commission with respect to the creation of a Department of Welfare. The committee calls attention to the testimony of the Honorable Herbert Hoover before the Senate Committee on Expenditures on June 30 in which he expresses belief that specific legislation might be required to effectuate some of the major provisions omitted by the plan, especially that relating to United Medical Services.

That is the exact position taken by the President of the United States in the submission of Reorganization Plan No. 1. I continue reading from the letter:

The committee advocates acceptance of plan No. 1 with the understanding that the President and the Congress should move promptly to effectuate the balance of the changes contemplated by the Commission. It was the consensus of the Commission, later expressed in testimony by Mr. Hoover, that in raising the educational and social-security functions of Government to departmental status, the new Department might more properly be called a Department of Education and Social Security.

On this Citizens' Committee for the Hoover Report are outstanding citizens like Hon. Warren Austin; Hon. William L. Clayton; Gen. Charles G. Dawes; Hon. James A. Farley; Hon. John N. Garner; Hon. Allen B. Kline, head of the American Farm Bureau Federation; Hon. Robert P. Patterson; Hon. Harold E. Stassen; Mr. Charles E. Wilson, and others.

Some of the learned and able men of this country are on the board of the Citizens' Committee for the Hoover Re-

port. They undoubtedly had their own lawyers, with whom they conferred when necessary, on each and every one of the reorganization plans which were submitted.

Mr. President, this is in line with the telegram that was sent by the former President of the United States, Hon. Herbert Hoover, today, in connection with the plan.

I like to refer to the minority report submitted by the able junior Senator from Maine [Mrs. SMITH], which says so much in such a few words. She said:

I would summarize my conclusions less eloquently and more briefly by observing that (1) the plan follows the Hoover Commission recommendations as far as it goes; (2) the issue is not socialized medicine as some would have us believe—were this true I would oppose the plan because I am opposed to socialized medicine.

Mr. President, whether this plan shall be defeated or shall win, it will be an issue on the hustings, so far as concerns many Senators and Members of the House who are attempting to lay socialized medicine at the door of this administration. As is said by the junior Senator from Maine [Mrs. SMITH], if this were an out-and-out socialized-medicine proposition, the Senator from Illinois would not be on his feet arguing for it, because from the time I first became a Member of Congress I have told my constituents consistently that I am unalterably opposed to socialized medicine.

With further reference to socialized medicine, I wish to read what the doctors are telegraphing the Senator from Illinois as a result of the high-powered propaganda machine which has been hired by the American Medical Association. I have here a telegram from a close friend of mine, who is a wonderful doctor in central Illinois. He says:

DEAR SCOTT: We are strongly opposed to Reorganization Plan No. 1 mainly because it does not correct the faults of Federal Security Agency and replace it with a Health Department under a physician. It does place almost unlimited power in hands of Federal Security Agency Director who is on record as wanting to socialize our entire economy. We feel this Director cannot be trusted and ask your support in opposing Reorganization Plan No. 1.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. LUCAS. I regret I have not the time. I shall yield some other day when we are talking about another subject in which the Senator and I are interested.

The PRESIDING OFFICER. The Senator from Illinois declines to yield.

Mr. LUCAS. Mr. President, that is the type of propaganda which is being sent to Senators, many of whom for some cause or other, are being lured by the American Medical Association into the position of voting against Reorganization Plan No. 1 because of a confused issue.

I have here another telegram which says:

Re proposed Secretary of Welfare. Oscar Ewing is a danger to our country.

That is signed by a medical man. And so they go.

The whole issue seems to be whether or not we are going to have Oscar Ewing

as the Administrator of this Department. It has been argued over and over again that if it is possible to get 49 votes to override Reorganization Plan No. 1 it will be possible to get 49 votes to defeat Oscar Ewing, if his name shall be sent to the Senate for confirmation as the head of the new department.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. LUCAS. That would be the time to hit Oscar Ewing below the belt if one desired to do so, and not in connection with a particular plan which has merit.

Mr. President, ever since I have been a Member of Congress there has always been someone wanting to reorganize the executive branch of the Government, and every time, we have found the same group, either in the House or the Senate, throttling the plan.

If the pending plan is defeated, we will know exactly where the responsibility lies. The country will know it in the 1950 campaign. This is certain to be an issue.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from Ohio.

Mr. TAFT. Is the Senator aware of the fact that the Senator from Ohio and other Senators have received telegrams from CIO unions in their States urging the approval of the plan, that their propaganda is just as great here, in effect, as the medical propaganda on the other side?

Mr. LUCAS. I would hope that the CIO would propagandize the Senator from Ohio, because he needs a little of it.

Mr. President, in connection with the United Medical Administration, some of the major recommendations of the Hoover Commission concerning the Federal Security Agency are highly controversial and are the subject of profound disagreement among experts in public administration. Such is the proposal for a United Medical Administration, which is recommended by the Senator from Ohio and others who are opposed to plan No. 1, and who say that the provision for such an agency is the only thing that will ever lead them to vote for a reorganization plan. This recommendation had the unqualified support of only four members of the Hoover Commission. The other eight dissented for one reason or another and three members were in complete disagreement with the plan.

It would have been very unwise for the President to attempt to set up such an independent medical agency as a part of this first reorganization plan. Such a proposal would have been overwhelmed by controversy which would have resulted in the defeat of any proposed reorganization plan.

Had the President sent up what the Senator from Ohio is asking we could have discussed it only 10 hours, which would have been fortunate, but had the 10-hour limitation not been in the law, we would have been here another 3 weeks upon that one question alone. It was a wise course to confine the first plan to those recommendations which had the unanimous support of the Hoover Commission. The recommendations which are extremely controversial were prop-

erly withheld until they could be studied more thoroughly by the President and Congress. Such proposals are at this time receiving such study and consideration.

The Senate Committee on Labor and Public Welfare has before it a bill which would create a United Medical Administration. No Senator would expect that committee to report the bill until it had been given thorough study. It should be clear that the President should not submit a similar proposal to Congress until it has been thoroughly considered.

The Commission on Organization of the Executive Branch of the Government recommended that the Federal Security Agency be made an executive department along organizational lines, precisely identical with the President's proposed plan.

The Commission, however, recommended that certain functions now in the Federal Security Agency be transferred to other agencies, and functions in other agencies be transferred to the new Welfare Department. Reorganization Plan No. 1 does not provide for these transfers. These recommended transfers are:

The Commission recommended that the following functions be transferred from the FSA:

First. The Public Health Service is to be transferred to a new organization to be created, the United Medical Administration.

Second. The Bureau of Employees Compensation and the Employees Compensation Appeals Board is to be transferred to the Labor Department.

Third. The Food and Drug Administration is to be transferred in part to the Department of Agriculture, and in part to the new United Medical Administration.

The Hoover Commission also recommended that the Bureau of Indian Affairs be transferred from the Department of the Interior and placed in the new Department of Welfare.

Opposition to this plan is given a certain respectable appearance by being placed on the following grounds:

It is argued that the plan does not carry out all the recommendations of the Hoover Commission relating to the FSA.

That is what the Senator from Ohio [Mr. TAFT] has been arguing today.

It is also argued that "no permanent realignment as proposed under plan No. 1" should be approved until Congress determines whether or not there shall be created a United Medical Administration. This argument is stressed by the Senate committee.

I contend that neither of these objections is valid. The President in his message to Congress recognized that the plan did not go all the way. He stated:

I am fully aware of the recommendations of the Commission * * *. With respect to the various units of the Federal Security Agency * * * proposals are currently under study, but final conclusions have not been reached with respect to them.

Herbert Hoover in his testimony before the Senate committee firmly supported the President's reorganization plan. He did not believe that any part of his recommendations were jeopardized by the

President's action in taking one step at a time.

He stated that the setting up of a United Medical Administration required legislative action, and "Therefore it is no criticism of the President's plan to point out that those bureaus cannot be transferred at the present moment."

Do Senators think he did not have legal advice when he made that statement? Do Senators think he was misled by someone into making that statement? Do Senators believe that the Senator from Ohio is the only Senator who possesses all the legal knowledge in the country upon a question of this nature?

Mr. Hoover pointed out that the President has been very cooperative and there is no reason to assume that the rest of the Commission's recommendations will not be given thorough consideration.

In other words, the fact that the President chose to take one large single step at the outset does not preclude further reorganizations.

Here is a strange thing, Mr. President. I presume the Senator from Illinois received not less than 15,000 letters from the State of Illinois and from other sections of the Nation requesting that I vigorously support the reorganization of Government agencies, as submitted by the Hoover Commission. I replied to each and every writer of such letters that I would do so. I have found, after a careful analysis of the letters, that some of the writers who wanted me to support the reorganization plan from the standpoint of efficiency and economy in Government are now asking me to do just the opposite.

Mr. President, the Hoover Commission was unanimous in its view that a Welfare Department should be created. It was not unanimous as to its functions, and this is important. Every President since Harding has recommended the creation of such a department. We have gone all over the history of reorganization, and every Member of the Senate knows about it.

Mr. President, the House of Representatives contains many Members of great legal ability. One of them is Representative Brown of Ohio, who, I am told, managed the campaign of the senior Senator from Ohio [Mr. TAFT] for President of the United States last year. He was for Reorganization Plan No. 1. Yet with all the legal talent there is in the House of Representatives, there was little or no objection in the House respecting Reorganization Plan No. 1. The Members of the House usually raise considerably more disturbance about matters of this kind that does the Senate.

No, Mr. President; it is the same old story. Someone wants to defeat the administration in its submission of Reorganization Plan No. 1. Someone wants to defeat the administration because there is a man named Oscar Ewing who a certain doctor says is a danger to the country, who he believes is going to socialize everything. Yet, as Senators know, Mr. Ewing was making a great deal of money as a practicing attorney, one of his clients being the Aluminum Corp. of America, before he took the

position which the Government offered him. I do not think a man of that kind can be socialized overnight, as some Senators seem to believe.

Furthermore, Mr. President, it seems to me that Senators of the United States are being overly severe when they take the position that a person who is involved in connection with the consideration of the plan, is the real issue at stake. The principle, rather than the man, is the real issue, as was so well expressed by the distinguished Senator from Maine [Mrs. SMITH].

Mr. President, if we are ever going to secure reorganization of Government departments, Senators had better begin right now with the approval of Reorganization Plan No. 1. We have now before us the greatest opportunity we have had in a long, long time to do what is necessary to be done to secure reorganization in the executive branch of the Government. In view of the fact that the House of Representatives has passed over Reorganization Plan No. 1, with all the legal talent there is in the House, with all the eminent lawyers there are in the House committees—and they have agreed to do so with little or no opposition—it seems strange to me that the Senate of the United States should be responsible in the eyes of the Nation for repudiating the President of the United States, and repudiating the former President of the United States Herbert Hoover, and for repudiating the Citizens Committee for the Hoover Report, and all the fine men who have done such good work over so long a period in connection with reorganization in the executive branch of the Government.

Mr. McCLELLAN. Mr. President, I yield 2 minutes to the distinguished junior Senator from Maine [Mrs. SMITH].

Mrs. SMITH of Maine. Mr. President, this is the first test on whether the Congress really wants reorganization of our executive branch or not. What we do on plan No. 1 will set the stage for reception of all other plans.

I am for Reorganization Plan No. 1 because, first, the plan follows the Hoover Commission recommendations as far as it goes; second, the issue is not socialized medicine, as some would have us believe (were this true I would oppose the plan because I am opposed to socialized medicine); third, the issue is not one of personalities but rather one of principle—the plan itself is more important than Mr. Oscar Ewing or any other individual or any special pressure group; and, fourth, perfection and unanimous agreement will never be obtained at the outset on any plan of reorganization, but lack of perfection and unanimity should not be permitted to prevent a start on improvement, and this plan is definitely a start on improvement.

The President has asked for the authority. Let Congress grant it to him. Then if the plan falls of its objectives, the responsibility will be that of the President, not of Congress.

Mr. McCLELLAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hendrickson	Millikin
Anderson	Hickenlooper	Morse
Baldwin	Hill	Mundt
Brewster	Hoey	Murray
Bricker	Holland	Myers
Bridges	Humphrey	Neely
Butler	Hunt	O'Connor
Byrd	Ives	O'Mahoney
Cain	Jenner	Pepper
Capehart	Johnson, Colo.	Robertson
Chapman	Johnson, Tex.	Russell
Chavez	Johnston, S. C.	Saltonstall
Connally	Kefauver	Schoeppel
Cordon	Kem	Smith, Maine
Donnell	Kerr	Smith, N. J.
Douglas	Kilgore	Sparkman
Downey	Knowland	Stennis
Dulles	Langer	Taft
Eastland	Lodge	Taylor
Eaton	Long	Thomas, Okla.
Ellender	Lucas	Thomas, Utah
Ferguson	McCarran	Thye
Flanders	McCarthy	Tydings
Frear	McClellan	Vandenberg
Fulbright	McFarland	Watkins
George	McKellar	Wherry
Gillette	Magnuson	Wiley
Graham	Malone	Williams
Green	Martin	Withers
Gurney	Maybank	Young
Hayden	Miller	

The PRESIDING OFFICER. A quorum is present.

Mr. McCLELLAN. Mr. President, I yield 25 minutes of my time to the distinguished Senator from Wyoming [Mr. HUNT].

Let me say that I understand this is his first time to address the Senate. I know that on this very important issue, in which he is vitally interested, and in which all members of his profession are interested, all of us will enjoy his remarks.

The PRESIDING OFFICER. The Senator from Wyoming is recognized for 25 minutes.

Mr. HUNT. Mr. President, I may say to the distinguished Senator from Arkansas that this is not my maiden presentation to the Senate. I first addressed the Senate regarding the sales tax, about which I am sure all of us know by this time.

Mr. President, for many and various reasons, affecting the health of all the people of the Nation, reasons that are sound and convincing, I have joined with the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Ohio [Mr. TAFT] in opposition to the President's Reorganization Plan No. 1, and I express my support of the Hoover Commission recommendation and report as transmitted to the President of the Senate on March 5, 1949, above the signature of Herbert Hoover, Chairman.

Mr. President, today we have heard a great debate in reference to whether these two plans differ. The President's plan provides, and I quote exactly:

SECTION 1. Department of Welfare: The name of the Federal Security Agency is hereby changed to Department of Welfare and such Department is hereby constituted an executive department.

SEC. 2. (b) All of the functions of the Department of Welfare and of all officers and constituent units thereof, including all the functions of the Federal Security Administrator, are hereby consolidated in the Secretary of Welfare.

Therefore, the President's plan No. 1 provides that the health services, educational departments, and the Federal Se-

curity Agency shall be consolidated into one new department with Cabinet rank and designated the Department of Welfare. There in essence we have plan No. 1—a very direct, plain, simple statement that cannot be misunderstood. I am opposed to it.

The Hoover Commission, in its final report, Task Force Report on Federal Medical Services (Appendix O), and in its report on medical activities March 16, 1949, states:

1. To provide better medical care for the beneficiaries of the Federal Government's medical program,
2. To create a better foundation for training and medical services in the Federal agencies,
3. To reduce the drain of doctors away from private practice,
4. To provide better organization for medical research,
5. To promote a better state of medical preparedness for war—

Then this recommendation is made:

To accomplish these purposes, the Commission recommends the establishment of a United Medical Administration into which would be consolidated most of the large scale activities of the Federal Government in the fields of medical care, medical research, and public health.

The report further states:

The Task Force on Medical Services was instructed to base its original report on the premise that "the Commission will recommend a cabinet department embracing health, education, and security." However, in view of the size of the medical operations of the Federal Government and the extreme dissimilarities among the activities which would have composed such a department, the task force was later requested to consider the advisability of placing medical service functions in a single agency. Its supplementary report favors very strongly a separate united medical administration. The agency should be headed by a professional career director general, and he "should report directly to the President."

The Hoover Commission report on social security likewise specifically recommends the establishment of a united medical administration reporting directly to the President. So we have 2 task forces saying in the Hoover report exactly the same thing, in essence. Nine of the twelve members of the Commission recommended and voted for the task force report for the establishment of a United Medical Administration.

Mr. President, I have dwelt on this point at some length, in order to make it crystal clear, I hope, that the proposed Reorganization Plan No. 1 is not the recommendation of the Hoover Commission. At this time, let me say that a vote in favor of the resolution submitted by the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Ohio [Mr. TAFT], and myself will not be a vote against the Hoover Commission recommendations, but will be a vote to give the Senate a chance to study the Hoover report recommendations. I have studied them, and I support them. Let me say that there is not even any coincidental or accidental similarity between the Hoover report and plan No. 1, as submitted by the President.

Several times in debate it has been developed that recommendations for es-

tablishing a department along the general lines proposed in Plan No. 1 have been urged on the Congress since 1935, and each Congress has seen fit not to accept such a plan. There must be a reason for it. It is my hope that this Congress again will not accept the plan as submitted.

Before entering upon a discussion of the pending resolution, the junior Senator from Wyoming wishes to invite the attention of the Senate to the Reorganization Act passed by this body by a voice vote on June 20, of this year, by that act the Congress gave to the executive branch broad powers to legislate. Probably never in the history of our Government has the legislative branch surrendered its prerogatives, its rights, and its duties, to such a great degree. Every one of the four sections of Reorganization Plan No. 1 of 1949 is, of course, legislation.

After passing legislative functions to the executive department, we proceeded to tie our own hands and to make it extremely difficult to prevent the executive department from making far-reaching changes in all departments of the national governmental structure. We granted to the executive department the right to transfer from one jurisdiction to another all or any departments; to abolish the function of any or all departments; to consolidate; to coordinate; to authorize any officer to delegate his functions; and then, in the same act, we securely tied the hands of the Congress by giving the Congress only 60 days to disapprove such changes—a most unusual provision, existing nowhere else in our legislative processes—and giving the Senate committee only 10 days to conduct hearings and to report to the Senate on any resolution not to approve a reorganization plan.

We then made other special Senate rules. We provided that only a Senator favoring the resolution can move to discharge the committee; debate thereon is limited to 1 hour; such motion cannot be renewed; and debate shall be limited to 10 hours on a resolution not to approve. Therefore the Senate is limited, as never before in its consideration of tremendously important legislation.

Further than that, Mr. President, we have made it impossible to submit any amendments to such a resolution. Apparently, to be doubly sure that the wishes of Congress could not prevail, we, the Congress, provided that a resolution disapproving the recommendations or plans submitted by the executive department must have a favorable vote by a constitutional majority, thus defeating or thwarting the wishes of a simple majority. One other unusual section provides for the appointing of an unnamed Cabinet officer for a 60-day period without the advice and consent of the Senate.

Mr. President, the Congress will, to my way of thinking, on many future occasions, have ample and just cause to regret its hasty, improvident action in depriving itself of vital and necessary legislative prerogatives and, in so doing, giving unprecedented encouragement to a more powerful, centralized, bureaucratic form

of government. Recovery of these legislative prerogatives will be extremely difficult, if not impossible.

We often hear the statement, "The bureaus are running the Government." Well, Mr. President, we, the Congress, by passing the Reorganization Act so hastily and without due consideration, have voluntarily given to the Government bureaus more power, prestige, and influence than they have ever heretofore enjoyed.

Senate Resolution 147 resolves that the Senate does not favor Reorganization Plan No. 1, transmitted to Congress by the President on June 20, 1949.

It has long been a practice, and an intelligent practice—I think one could say it has always been the policy—that the Senate follows and approves the actions of its committees. Because of the far-reaching effects of the proposed reorganization of the executive branch of the Government, plan No. 1 and Senate Resolution 147 were given most careful, thorough, and painstaking consideration and study. The committee reported favorably Senate Resolution 157 by a vote of 7 to 4, one of the minority reserving the right to vote with the majority when the resolution came before the Senate.

Some 16 or 18 witnesses testified, witnesses who were in close touch with the subject and thoroughly informed, and who have the greatest interest in plan No. 1. About 30 statements were submitted for committee consideration. At the close of the hearings 1,493 letters, telegrams, and statements had been received by the committee. Several hundred have since been received. Of the 1,493, in round numbers 1,500, 1,404 expressed opposition to the plan and urged favorable action on Senate Resolution 147. Only 94 supported the plan. In other words, of those having a direct interest in the plan, there were 15 opposed to 1 who favored it, and of the 1,500 opposing plan No. 1, almost all favored an independent health agency as recommended by the Hoover Commission.

Mr. President, with only isolated exceptions, 189,000 doctors of the United States oppose plan No. 1; 189,000 doctors, the best trained, most skillful doctors in all the world at any time in all the world's history, doctors who have made this Nation the healthiest of all nations. Our death rate is the lowest. Our life expectancy has risen from 35 years, when we established our Government, to 67 years—the longest life expectancy of any people on the face of the earth. Our workingmen lose from illness an average of only 8 days a year, as compared to 28 days only 49 years ago, at the turn of the century. That is approximately one-half the days lost from work a year because of illness in England and other countries.

Mr. President, these men who have made America the healthiest nation in all the history of the world, these men who know whereof they speak, oppose Reorganization Plan No. 1. Seventy thousand dentists of the United States oppose this plan, and 489,000 nurses oppose it. The hospital association opposes the plan, and 34,000 retail druggists oppose it. This opposition comes from

highly intelligent, good, loyal American citizens. It comes from every State in the Union and from all sections of every State, from the crossroads and up the fork of the creek, as well as from our larger cities. Surely there must be, and there are, good and sufficient reasons for this opposition.

The health services of the United States, as expressed through the doctors, dentists, nurses, hospitals, and druggists are of the opinion that if the Government health agency is submerged within a multi-purpose department, the health functions would be impeded by considerations pertaining to the other functions of welfare and education in the Department. They feel and they fear—and I share their fear and their thinking—that education will be dominated by the welfare idea, welfare thinking, and social-security planning. I might say that is the situation to some extent, at the present time, with the authority of the present Federal Security Administrator quite limited as compared with the authority and power which would be vested in the Secretary in event Reorganization Plan No. 1 should be approved.

The health of the people of the United States is so important that appropriations for administration of health services should be clearly identified as such and not associated with or confused with appropriations for administration for social security, welfare, or other social programs.

Mr. President, the supreme medical importance of the position of Surgeon General or Director General of health services of the United States should command, irrespective of all other considerations, the ablest medical and health administrator who can be secured. It is very doubtful that a medically trained person of such qualifications would be available to accept such a responsibility under a lay Secretary, lay administrators, and lay policy-makers. No, Mr. President; the health services of our country should be under competent, qualified medical supervision, as recommended in the Hoover Report. Health is such a highly developed, positive specialty, that it should not be considered a subsidiary of, or of secondary importance to, social security and welfare.

Efficiency in the Government's numerous activities can be greatly enhanced by their close correlation and concentration under a professionally trained administrator.

My mail and telegrams decry and bitterly assail the plan to place vital health matters, including the assaying of drugs, under the control of nonprofessional and political domination, under a Secretary of Welfare, uneducated in the scientific fields he is directed to administer.

The attitude of the present Federal Security Agency and of the Federal Security Administrator, as expressed in his advocacy of socialized medicine, has discouraged to this date many fine young men from entering medical college and subsequently becoming members of the medical profession.

The present Administrator, who, without a doubt, will become Secretary of Welfare if this plan be adopted, who testified in favor of plan No. 1, stated that he would in no way relent—let me repeat that—he would in no way relent his advocacy of a proposed compulsory health program. Yet we have heard today in the debate that socialized medicine is not the issue. I say it is the issue, for, if the Social Security Administrator may become the Director of Welfare, with the prestige of a Cabinet position back of him with thousands upon thousands of employees he will have to infiltrate through educational avenues, through health avenues, and through welfare avenues, he will have a source of propaganda unequalled in any other agency in the United States Government at any time in the history of the Nation.

Under the presently existing Federal Security Agency the Administrator does not have authority to delegate functions of agencies under him. He can merely supervise and direct. The question was asked on the floor of the Senate what changes will take place if plan No. 1 shall be adopted. The specific plan sets forth—

The VICE PRESIDENT. The Senator has less than a minute left.

Mr. HUNT. The specific plan sets forth that the Secretary of Welfare is authorized to delegate to any officer or employee or to any bureau or any other organization such of his functions, and so forth. Today the law is that the Surgeon General and the Commissioner of Education may delegate all functions, all the authority, all the power now vested in them, respectively.

The VICE PRESIDENT. The time of the Senator has expired. The Senator from Arkansas has 2 minutes remaining.

Mr. McCLELLAN. Mr. President, I yield that time to the Senator from Wyoming.

Mr. HUNT. Mr. President, the proposed plan No. 1 involves such a large group of persons, such a tremendous appropriation, such great numbers of personnel, that I think only ineffective administration can possibly follow. Four of the largest departments of the Government would pass to its jurisdiction.

On the State level these three services are separate and distinct. We shall meet with refusal by the State departments when attempts are made to bring them into one organization.

Congress has already made great strides toward reorganization. The passage of the Unification Act was a milestone, and it will accomplish more with reference to the saving of money to the taxpayers than all the rest of the plans put together.

Mr. President, this plan is not actually plan No. 1. It is actually plan No. 8. It appears to me that without a question of doubt at least six of the reorganization plans will be looked upon favorably by the Congress. One, or possibly two, may be disapproved. That is a batting average of some 750 percent—and that is pretty good batting average in any man's league.

I say that by supporting Senate Resolution 147 we are not in any sense of the word acting against the Hoover recommendations.

Mr. McCLELLAN. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hendrickson	Millikin
Anderson	Hickenlooper	Morse
Baldwin	Hill	Mundt
Brewster	Hoey	Murray
Bricker	Holland	Myers
Bridges	Humphrey	Neely
Butler	Hunt	O'Connor
Byrd	Ives	O'Mahoney
Cain	Jenner	Pepper
Capehart	Johnson, Colo.	Robertson
Chapman	Johnson, Tex.	Russell
Chavez	Johnston, S. C.	Saltonstall
Connally	Kefauver	Schoeppel
Cordon	Kem	Smith, Maine
Donnell	Kerr	Smith, N. J.
Douglas	Kilgore	Sparkman
Downey	Knowland	Stennis
Dulles	Langer	Taft
Eastland	Lodge	Taylor
Ecton	Long	Thomas, Okla.
Ellender	Lucas	Thomas, Utah
Ferguson	McCarran	Thye
Flanders	McCarthy	Tydings
Frear	McClellan	Vandenberg
Fulbright	McFarland	Watkins
George	McKellar	Wherry
Gillette	Magnuson	Wiley
Graham	Malone	Williams
Green	Martin	Withers
Gurney	Maybank	Young
Hayden	Miller	

The VICE PRESIDENT. A quorum is present. The question is on agreeing to Senate Resolution 147, a resolution disapproving Reorganization Plan No. 1. A yea vote will be in disapproval of Reorganization Plan No. 1, a nay vote will in effect be in approval of Reorganization Plan No. 1. The Secretary will call the roll.

The Chief Clerk called the roll.

Mr. MYERS. I announce that the Senator from Rhode Island [Mr. McGrath] and the Senator from Connecticut [Mr. McMahon] are absent on public business.

On this vote the Senator from Rhode Island [Mr. McGrath] is paired with the Senator from Kansas [Mr. Reed]. If present and voting, the Senator from Rhode Island would vote "nay," and the Senator from Kansas would vote "yea."

Mr. SALTONSTALL. I announce that Senator from Kansas [Mr. Reed], who is absent by leave of the Senate, is paired with the Senator from Rhode Island [Mr. McGrath]. If present and voting, the Senator from Kansas would vote "yea," and the Senator from Rhode Island would vote "nay."

The Senator from New Hampshire [Mr. Tobey] is necessarily absent.

The result was—yeas 60, nays 32, as follows:

YEAS—60

Baldwin	Dulles	Hunt
Brewster	Eastland	Ives
Bricker	Ecton	Jenner
Bridges	Ferguson	Johnson, Colo.
Butler	Flanders	Johnston, S. C.
Byrd	Fulbright	Kem
Cain	George	Knowland
Capehart	Gillette	Long
Chapman	Gurney	McCarthy
Connally	Hendrickson	McClellan
Cordon	Hickenlooper	McKellar
Donnell	Hill	Malone

Martin
Maybank
Miller
Millikin
Morse
Mundt
O'Connor
Robertson

Russell
Saltonstall
Schoeppel
Smith, N. J.
Sparkman
Stennis
Taft
Thomas, Okla.

Thye
Tydings
Vandenberg
Watkins
Wherry
Wiley
Williams
Young

NAYS—32

Aiken
Anderson
Chavez
Douglas
Downey
Ellender
Frear
Graham
Green
Hayden
Hoey

Holland
Humphrey
Johnson, Tex.
Kefauver
Kerr
Kilgore
Langer
Lodge
Lucas
McCarran
McFarland

Magnuson
Murray
Myers
Neely
O'Mahoney
Pepper
Smith, Maine
Taylor
Thomas, Utah
Withers

NOT VOTING—4

McGrath
McMahon

Reed

Tobey

The VICE PRESIDENT. On this question the yeas are 60, the nays are 32. A majority of the qualified Members of the Senate, as required by the Reorganization Act, having voted in the affirmative, the resolution of disapproval is agreed to.

Mr. FREAR subsequently said: Mr. President, I ask unanimous consent to have printed in the body of the RECORD at the appropriate place remarks which I had intended to make on Senate Resolution 147.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. President, I would like to associate myself with the remarks made by the distinguished junior Senator from Maine. It is my feeling that this reorganization plan is a long step forward in the right direction. It does not, in my opinion mean that we are to have socialized medicine, which I definitely oppose. In that connection I refer to the testimony of the Federal Security Administrator before the Committee on Expenditures. This very question was asked of Mr. Ewing by the distinguished Senator from Maryland, Mr. O'Connor. I quote from the testimony which appears on page 124:

"Senator O'Connor. You have been the Administrator with the Public Health Service under your supervision and direction for a few years. In your considered judgment would this plan, if adopted, be a step nearer to socialized medicine in the United States, or not?"

"Mr. Ewing. I give you my word, I do not think it has the slightest bearing on it. I think it unfortunate that here on a matter of governmental organization, a matter of programing has been brought into the picture. The question of whether or not there will be national health insurance will be decided by the Congress."

The distinguished Senator from Maryland further asked Mr. Ewing whether or not the powers which would be vested in the new Secretary of Welfare, if and when the plan was adopted, would make it possible for him to effect socialized medicine in the United States.

Mr. Ewing replied in these words, "Absolutely no. There is not the remotest thought of such a thing by those of us who are advocating this plan."

Mr. President, I should also like to re-emphasize that the approval of a Secretary of Welfare will rest with the Senate who may accept or reject whatever nomination is submitted to this body.

We should further realize that the plan does conform in a large measure to the Hoover Commission's recommendations.

We will not achieve the perfect ideal to start with, but adoption of this plan will, I

feel certain, give us impetus along the right road.

THE PROPOSED DEPARTMENT OF WELFARE

Mrs. SMITH of Maine subsequently said: Mr. President, I submit for the RECORD the Gallup poll on the proposal for creation of a new Department of Welfare, showing that a majority of American voters favor this proposal. It reads as follows:

THE GALLUP POLL—PLAN FOR WELFARE DEPARTMENT GIVEN MAJORITY VOTER SUPPORT

(By George Gallup, director, American Institute of Public Opinion)

PRINCETON, N. J., August 11.—President Truman's plan to create a Federal Department of Welfare headed by a Cabinet member has a good deal of popular appeal throughout the country.

Creation of such a department was one of the recommendations made by the special commission headed by former President Herbert Hoover for reorganization of Government operations. Last week a Senate committee held public hearings on the plan, but turned in an adverse report to the Senate. A fight over the measure is expected on the Senate floor.

Opinion among a representative cross-section of voters in all the 48 States was sounded on the plan in the following survey by the American Institute of Public Opinion:

"It has been suggested that a Secretary (in the President's Cabinet) be appointed to head a new Department of Public Welfare in Washington which would include such things as social security, public health, and education. Do you approve or disapprove of this?"

The vote:

	Percent
Approve.....	54
Disapprove.....	26
No opinion.....	20

A fairly sharp division of sentiment along party lines was found in the survey. A substantial majority of persons who voted for Mr. Truman last November expressed favorable opinions on the creation of a welfare department.

Among Republicans, sentiment was much more closely divided, as follows:

	Truman voters	Dewey voters
	Percent	Percent
Approve.....	61	45
Disapprove.....	20	38
No opinion.....	19	17

At the Senate committee hearings last week a sharp debate was touched off when Oscar Ewing, Federal Security Administrator, charged that rejection of the welfare plan would "repudiate President Hoover and all the work of his Commission."

This poll indicates that the American public read and took seriously the statement of former President Herbert Hoover when he appeared before my Committee on Expenditures in the Executive Departments, and stated, on June 30 of this year:

Mr. HOOVER. I am very glad to respond to your invitation to discuss these questions with the committee, and I can do so I think very shortly.

I wish to say at once that the seven plans are all steps on the road to better organization of the administrative branch. They are, insofar as they go, substantially in accord with the recommendations of the Commission on Organization of the Executive Branch of the Government.

The difficulty with this subject is that the President's authority under the Reorganization Act of 1949 is very limited. In most of these seven cases the full accomplishment of

reorganization as recommended by the Commission requires also extensive and specific special legislative action, one that goes beyond the President's authority under this act. Either most of the seven plans must be regarded as simply preliminary steps, or must be absorbed, now or later, in full legislation if we are to effect the efficiencies and economies sought by the Commission.

Mr. HUMPHREY subsequently said: Mr. President, I ask unanimous consent to have printed in the RECORD a statement by myself pertaining to the reorganization plan.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. President, I have listened with great interest to this debate on Senate Resolution 147 and on the proposal to create a Department of Welfare.

I am in complete agreement with those who contend that the establishment of such a department, as urged by the President, is necessary for the more efficient operation of our Government, and that it follows the basic philosophy and recommendations of the Hoover report.

I am in complete agreement with those who insist that the adoption of the proposal will not limit in any way our freedom to take subsequent action affecting the status of the Public Health Service.

And I resent bitterly the misdirected efforts of a \$3,500,000 lobby to defeat this first reorganization plan. This issue has nothing to do with health insurance.

I am also concerned, however, with another factor which so far as been touched upon only in passing. It seems to me that it transcends all of the other questions which have been raised in this debate.

Involved in this controversy, but not immediately a part of it, is a much larger issue, which boils down to the simple question: Which side of the fence are we on?

Do we favor measures to promote the welfare of the people of this country? Or are we against measures to promote the welfare of the people of this country?

I am using the term "welfare" deliberately, for the very word itself acquired a political significance that far overshadows its actual definition. And without question, the fact that the new department is to be called a Department of Welfare lends an intensity to this debate which might otherwise be lacking.

The dictionary defines welfare as "state of faring, or doing well; especially condition of health, prosperity, etc.; negatively, exemption from evil or calamity."

It is unfortunate, of course, that in the minds of many people the word has become associated with the various community social services to aid the poor and the helpless—a wholly restricted meaning which carries with it the aura of charity. But this, certainly, is not welfare as we understand the word. Even in this restricted sense, however, it displays a deplorable lack of social conscience and understanding to argue that health is not or should not be involved in "welfare."

But it is far more unfortunate, I think, that in recent years another and wholly different meaning has become attached to the word. For on the tightening battlefield between the Tory conception of government and the Liberal conception of government we have begun to hear a great deal about the so-called welfare state.

The reactionaries have seized on this phrase to express their contempt and scorn for all progressive social legislation. Or perhaps, it would be more accurate to say, their fear of all progressive social legislation. Yet why they should fear it, except out of blindness, I am at a loss to understand, because this kind of legislation, if wisely drawn, is the

only hope we have of preserving the system of free private enterprise—and I am in dead earnest about that.

"Welfare state."

The Senator from Minnesota called it political semantics. That is exactly what it is. The phrase is spoken with a curl of the lips, a sneer, a hint of terror, as if "welfare" were a synonym for "police." It is repeated in the same way, with the same inflection and the same sinister insinuation, time after time. And finally, those who themselves conceived the phrase as a means of smearing policies and programs which they know the people want, come to believe the implications they read into it, and even to attribute the phrase itself to us.

But let us not be deceived as to their intentions. Let us not be influenced by semantics. This is the same battle that has been fought in this country ever since it was said, in the preamble to the Constitution, that one of the major purposes of this Government was to "promote the general welfare." Every time, almost without exception, that an attempt has been made to apply that purpose to the people at large and not simply to the rich and the well-entrenched, the same cry has been raised by the same kind of people. Only the phrase change.

The phrase "welfare state" is comparatively new. But the tone of voice is always the same, the purpose is always the same, the philosophy is always the same. Throughout our history, any project of government which involved the spending of the people's money in the interest of the people has called forth the same thunder and the same forked lightning.

Let me read you an excerpt, Mr. President, from a speech by a former high-ranking Government official, Hugh Legaré, Secretary of State under J. Q. Adams—a former Secretary of State—which I think you will agree has a familiar, disturbing ring.

"The Government," this gentleman says, "has been fundamentally altered * * * instead of confining itself in times of peace to the diplomatic and commercial relations of the country, it is seeking out employment for itself, by interfering with the domestic concerns of society, and threatens in the course of a very few years to control in the most offensive and despotic manner all the pursuits, the interests, the opinions, and the conduct of men."

This gentleman, was a speech delivered in 1828, in an attack against President John Quincy Adams of the Massachusetts Adamses. And his crime was that he had proposed an extensive program of internal improvements for the country, to be financed by the Government out of the sale of public lands. If the term "welfare state" had been in existence it certainly would have been included in that speech.

As for myself, every instinct calls for resentment against this deliberate twisting and distortion of the simple and homely word "welfare," and the implied assumption that anything connected with it is leading this Nation down the road to statism or socialism.

In considering the basic intent and purpose of this proposed Department of Welfare we can well turn to the Constitution of this Nation and read, once again, the phraseology of its magnificent preamble:

"We, the people of the United States, in order to form a more perfect Union, establish justice, insure domestic tranquillity, provide for the common defence, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America."

Let me repeat that phrase—the phrase which introduced a brand new light into a world of tyranny and darkness: "To promote the general welfare and to secure the blessings of liberty for ourselves and for our posterity."

Certainly when those words were first put on paper their significance was revolutionary.

The Kings and Czars and Emperors in Europe who read them may well have feared their impact on their own people. They did fear it, and they trembled. For they knew that any real intent to promote the general welfare of a people could lead down one road only—the road to democracy.

And that was precisely the road our forefathers had taken. It is the road we are still following, and I, for one, hope we never turn back.

Since the establishment of the Nation in 1789, the organization of this Government has, by definition, been a welfare state—that is, a state in which the broad interests of the people were considered rather than the narrow interests of their rulers or of any ruling class. And the growth and development of that idea is the heart and soul of this Nation's history. It has always involved a struggle between the people and the would-be aristocracy, the Tories.

Alexander Hamilton, that arch conservative, was the first to proclaim the right of Government to take action under this general welfare clause of the Constitution. The National Bank, conceived by him and established by Congress in 1791, was deemed to be a legitimate means for the promotion of the general welfare. This was supported by the Tories, for it was helpful to them.

The proposal advanced by John Quincy Adams, which I have already mentioned, also was justified under the general-welfare clause. So was the establishment of the forerunner of the same Public Health Service which we are now told would be desecrated by mere association with the word, or even the idea of "welfare." That, Mr. President, was in 1798. And its establishment was bitterly fought at that time by the same kind of people and with the same kind of specious arguments that we hear today in opposition to Reorganization Plan No. 1. The Tories saw no advantage in it for them, but only an extra expense.

In the 1850's the construction of our Western railroads became a vital necessity for the economic development of the Nation. And Congress set aside some 180,000,000 acres of public lands as a subsidy for this construction—again in the name of the general welfare. In this form, the Tories dearly loved the welfare state.

During Lincoln's administration, the Homestead Act of 1862 and subsequent legislation provided for the free distribution of over 200,000,000 acres of public lands to aid in the settling of the West. But it was also, in many respects, a relief measure, sponsored by Government—a sort of glorified WPA. For its immediate purpose was to give hundreds of thousands of eastern farmers and workers, who were being squeezed by economic forces beyond their control, a chance to stand on their own two feet and make their own way in life under more favorable circumstances. This, too, in the name of the general welfare. Even the Tories did not mind very much, because land was plentiful. Besides, they got all of it they could handle.

The principle of land grants to support education, which was first promulgated by Jefferson in 1789, was widely applied during this period and became the basic factor in the establishment of our free public school system. This the Tories violently protested, and the reverberations of the charges of socialism which were launched against this project are still heard in our present-day debate over Federal aid to education.

Following the Civil War, the emphasis shifted. The immediate focus was on the protection and development of the Nation's industries. Every tariff law passed in the following decades was based on the general-welfare clause of the Constitution. The Tories loved this so much they almost made

it a political religion. Socialism? Oh, my, no. This was for the general welfare. This was to protect the workingman. Cynics may contend that it was more for the general welfare of big business. But no reasonable man can deny, in spite of all the excesses and hypocrisies it bred, that the high tariff probably did encourage the tremendous expansion of business and industry which occurred during this period, that it did lay the foundations of our present national strength, and, in that sense, that it did promote the general welfare. I look with a jaundiced eye, however, upon the Tories' pious protestations of concern, in this connection, for any welfare but their own.

Around the turn of the century it became oppressively clear that the welfare of big business was getting out of hand, and that the excesses of private power—of the malefactors of great wealth—had become a definite threat to the general welfare.

The era of frust-busting which followed dramatized this fact. But far more effective was the policy of Government regulation of the railroads, the utilities, and other forms of monopoly, a policy initiated at about the same time and carried through by succeeding administrations, both Republican and Democratic. The welfare state was growing up, stepping in to protect the interests of the individual citizen and to safeguard the competitive position of the small-business man. Here, the Tories were divided among themselves. The extremely reactionary resisted bitterly; the merely conservative approved. The general public applauded.

During this same general period—the latter half of the nineteenth century and the early part of the twentieth—government at various levels stepped in to promote the general welfare by establishing workmen's compensation systems and local and State health departments, by providing free vaccinations against diphtheria and other communicable diseases, and in many other ways. The Tories always protested. Specifically, every one of these progressive moves was attacked bitterly and battled every step of the way by organized medicine. This controversy today, Mr. President, is nothing new. It is an old, old story.

Even so cursory a summary indicates what a potent force the general welfare clause has been in the peaceful progress of our country along the road to democracy. Each generation has interpreted the clause according to its own needs, to meet its own peculiar problems. The establishment of a Department of Agriculture, a Department of the Interior, a Department of Commerce, and a Department of Labor, the beginnings we have made in providing public health and social welfare services, all have come in response to definite and concrete needs of the people. And all of these functions of Government have contributed, and contribute today, to the general welfare of the people of the United States whose Government this is.

Always, however, in spite of partisan strife and sometimes exceedingly bitter controversy over its interpretation, the phrase to promote the general welfare has always retained its unique American meaning. Until just recently—I think within the last year, if I am not mistaken—no responsible American has ever attempted to tarnish it, to twist and distort it, to give it an un-American connotation.

In all of our history, the phrase has never been employed as an excuse to regiment the people or to extend the authority of Government over their lives, in the sense that this is done in totalitarian countries. Every American knows this. The emphasis has always been upon measures to help the businessman, the farmer, the worker, or just plain John Citizen, to stand on his own two feet in dignity and in freedom and to grapple more effectively with his own problems. Our farm legislation, our labor legislation, our

legislation on matters of business and industry, all has been debated, fought over, and passed with this end in view. We have disagreed. We have made mistakes. But the purpose has always been to oil the machinery of what is essentially the American way of life—individual freedom and equality of opportunity in an expanding and improving democratic society.

During the past two decades we have had once again to interpret this clause of the Constitution in terms of our own generation, to meet our own needs, to solve our own problems.

No disaster, save war, struck so hard at the Nation as did the great debacle of 1929 and the subsequent depression of the early thirties. Almost overnight we saw our entire economic structure fall apart, and the Nation-wide tragedy of mass unemployment and mass misery is still fresh in the minds of all those who suffered by it, and all those who understood it.

Government moved to take drastic action under the general welfare clause. It was the establishment of the Reconstruction Finance Corporation by President Hoover, in an effort to save the large banks and financial institutions, which first set the process in motion. And all subsequent steps taken by the Roosevelt administration to start the wheels of industry turning again had this same source of authority.

But out of the hunger, misery, and fear engendered by this disaster emerged, by the very force of circumstances, a new and more significant understanding of the problem of the general welfare. And it took shape in the concept of the responsibility of government for the basic well-being of the individual.

I believe it is overwhelmingly clear that this responsibility must be met by government in our time, or that "government of the people, by the people, and for the people" will, despite all our hopes and dreams, "perish from the earth."

This responsibility, Mr. President, can be met in either of two ways, but there is no third alternative.

It can be met as we are now meeting the problem of unemployment, disability, and old age. Because we refuse to expand our system of social insurance sufficiently to enable our people to provide for themselves out of their own production while they are on the job, we have been forced to increase payments for relief out of general taxation until the dole is now much greater by far than the benefits of social insurance. By this means, we are hastening the day when the dole will be demanded and accepted by all as a charge against the general revenues. That, Mr. President, I deplore and fear.

In the same way, we can meet this responsibility as we are today in the field of medical care, providing State medicine out of general taxes for more and more of the population instead of making it possible, through social insurance, for the people to pay their own private physicians and their own private hospitals. This, too, I deplore and fear. For this, Mr. President, is real, honest-to-God socialism, and I do not believe that democracy and freedom can long survive under socialism.

These are the two alternatives: To provide for the needs of the people directly out of the public treasury, or to make it possible for the people to provide for themselves. I repeat, there is no other alternative.

The various welfare programs now administered by the Federal Security Agency in the fields of health, education, and social security, are all efforts on the part of Government to meet this cardinal responsibility. We may, and often do, disagree about what we should do in these fields and how we should do it, and whether they are all a part of the same general field or separate and distinct. We shall always have such disagreements, and they are healthy. But it is not only un-

healthy, but decidedly dangerous, Mr. President, for those who oppose these programs to seek to discredit them and their advocates by the reckless use of inflammatory phrases. The problem we face is far too serious to be dealt with by a play on words, by sleight-of-hand.

I am firmly convinced that democracy and private enterprise go hand in hand, that neither can last for long without the other.

I am equally convinced that neither democracy nor private enterprise can survive in any country where the basic needs of a large proportion of the people are left unmet for any considerable period of time. They will be met, Mr. President. Let no one be deceived about that.

Our task is to see that they are met now, within the framework of our free, democratic system of private enterprise, and not to permit that system to be destroyed because of our failure to face this fundamental problem and solve it.

I have all respect for those who believe otherwise, but I am convinced that we are on the right track with programs of health, education, and social insurance on which we have embarked with such hesitant trepidation. What we have done already in these fields, pitifully limited though it is, prevented the complete collapse of our system once and might prevent another and more serious collapse.

What are these programs, Mr. President, to which some refer with such derision and denounce with such bitter venom?

For one thing, we have seen, in the last decade and a half, the establishment of a Nation-wide system of social insurance. It is tragically inadequate because the Congress has refused to improve and expand it. But it helps to protect millions of workers and their wives against the hazards of old age, and provides for widows and children in the event of the death of the family breadwinner. Is this subversive?

We have seen the establishment of a Nation-wide system of job insurance which helps protect the worker against the hazards of unemployment. Is this sinister?

We have seen the establishment of a system of relief, or public assistance, to provide the bare necessities of life to dependent children, the needy aged, and the blind. Is this socialistic?

We have witnessed the development of our Public Health Service to a point where it has become one of the most powerful weapons we possess in the struggle against sickness and disease. Is this to be decried?

We have seen the notable work the Children's Bureau has done in helping to care for mothers and babies and crippled children. Is this dangerous?

We have seen the inauguration of a vitally important Federal-State program for the control of cancer, tuberculosis, venereal, heart, dental, neurological and mental diseases, and other ills of mankind. Is this deplorable?

We have witnessed a tremendous development in the field of medical research, sponsored by Government, which has already proved of inestimable value to our own generation. Shall we denounce this?

On still another front, we have seen the Office of Education grow steadily in stature and influence as it seeks to help the States in their constant effort to improve our public school system. Is this communistic?

Beyond this, we have seen the scope of our vocational rehabilitation efforts increase with each passing year. The protection afforded the people of this Nation, through the administration of the Food, Drug, and Cosmetic Act, has taken on greater and greater significance. And in many other related areas of activity there has been tremendous progress.

All these services, now under the jurisdiction of the Federal Security Agency, play a vitally important role in the preserva-

tion of our uniquely American way of life. Their purpose is to promote the general welfare.

I, for one, am in favor of the programs the Department of Welfare is designed to administer. I am for their extension to meet the responsibility I feel we must meet if our system is to be preserved for our children. I am always willing to debate these questions and, if it comes to that, to accept defeat as gracefully as possible. I believe in the ultimate wisdom of the people and their Congress.

But even if I opposed these programs and believed they should be eliminated, I would still be in favor of Reorganization Plan No. 1. Whether or not Government is doing what I believe it should do, I still believe it should do whatever it does as efficiently and economically as possible. That, to my mind, is the sole purpose of this reorganization plan, and will be its only effect.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Kent, its enrolling clerk, announced that the House had passed, without amendment, the following bills of the Senate:

S. 555. An act for the relief of Eiko Nakamura;

S. 622. An act for the relief of Isaiah Johnson;

S. 787. An act for the relief of William (Vasilios) Kotsakis;

S. 1026. An act for the relief of Roman Szymanski and Anastasia Szymanski; and

S. 2170. An act for the relief of W. F. Bartel.

The message also announced that the House insisted upon its amendments to the bill (S. 1008) to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CELLER, Mr. WALTER, Mr. WILLIS, Mr. MICHENER, and Mr. CASE of New Jersey were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the amendment of the Senate to the bill (H. R. 3440) for the addition of certain lands to Rocky Mountain National Park, Colo., and for other purposes.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 5086) to accord privileges of free importation to members of the armed forces of other nations.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

H. R. 5465. A bill to amend section 4 (e) of the Civil Service Retirement Act of May 29, 1930, as amended; without amendment (Rept. No. 926).

By Mr. McCLELLAN, from the Committee on Expenditures in the Executive Departments:

S. Res. 155. Resolution disapproving Reorganization Plan No. 7 of 1949; without recommendation (Rept. No. 927).

By Mr. HUNT, from the Committee on Armed Services:

REORGANIZATION PLAN NO. 2 OF 1949—TRANSFERRING
THE BUREAU OF EMPLOYMENT SECURITY

M E S S A G E

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

REORGANIZATION PLAN NO. 2 OF 1949, TRANSFERRING THE BUREAU OF EMPLOYMENT SECURITY, NOW IN THE FEDERAL SECURITY AGENCY, TO THE DEPARTMENT OF LABOR AND VESTING IN THE SECRETARY OF LABOR THE FUNCTIONS OF THE FEDERAL SECURITY ADMINISTRATOR

JUNE 20, 1949.—Referred to the Committee on Expenditures in the Executive Departments and ordered to be printed

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 2 of 1949, prepared in accordance with the provisions of the Reorganization Act of 1949. This plan transfers the Bureau of Employment Security, now in the Federal Security Agency, to the Department of Labor and vests in the Secretary of Labor the functions of the Federal Security Administrator with respect to employment services and unemployment compensation, the latter of which is now more commonly referred to as unemployment insurance. The plan also transfers to the Secretary of Labor the functions of the Veterans' Placement Service Board and of its Chairman and abolishes that Board. These changes are in general accord with recommendations made by the Commission on Organization of the Executive Branch of the Government.

After investigation, I have found and hereby declare that each reorganization included in Reorganization Plan No. 2 of 1949 is necessary to accomplish one or more of the purposes set forth in section 2 (a) of said act. The primary benefits from these reorganizations will take the form of improvements in administration and service. It is probable that a significant reduction in expenditures will result from the taking effect of the plan as compared with the current estimates and work-load assumptions contained in the 1950

budget as amended, but an itemization of such savings is not possible in advance of the transfer.

One of the major needs of the executive branch is a sound and effective organization of labor functions. More than 35 years ago the Federal Government's labor functions were brought together in the Department of Labor. In recent years, however, the tendency has been to disperse such functions throughout the Government. New labor programs have been placed outside of the Department and some of its most basic functions have been transferred from the Department to other agencies.

In my judgment, this course has been fundamentally unsound and should be reversed. The labor programs of the Federal Government constitute a family of interrelated functions requiring generally similar professional training and experience, involving numerous overlapping problems, and calling for strong, unified leadership. Together they form one of the most important areas of Federal activity. It is imperative that the Labor Department be strengthened and restored to its original position as the central agency of the Government for dealing with labor problems.

BUREAU OF EMPLOYMENT SECURITY

One of the most essential steps in improving the organization of labor functions is the transfer of the Bureau of Employment Security to the Department of Labor. This Bureau administers the activities of the Federal Government with respect to employment services and unemployment insurance. These activities mainly involve the review and apportionment of grants-in-aid, approval of State plans and grants, the conduct of research and developmental activities, and the provision of advice and assistance to the State agencies which actually conduct the services.

Public employment services and unemployment insurance are companion programs inextricably interrelated both in purpose and operation. The first assists workers in finding jobs and employers in obtaining workers; the second provides cash benefits for the support of workers and their families when suitable jobs cannot be obtained. Thus, each complements the other. At the local operating level the two programs are almost invariably carried on in the same unit—the local employment office. At the State level they are administered by the same agency in nearly every State. As a result, an unusually high degree of coordination at the Federal level is essential.

There can be no question as to the basic consideration which must govern the administration of both of these programs. From the standpoint of all interested parties—the worker, the employer, and the public—the primary concern is employment. Essential as they are, unemployment benefits at a fraction of regular wages are a poor substitute for the earnings from a steady job. In the administration of these programs, therefore, primary attention must be focused on achieving the maximum effectiveness of the employment services. On them depend the prosperity and well-being of the worker and the extent of the unemployment-compensation burden on the employer and the public.

I have long been convinced that the Department of Labor is the agency which can contribute most to the development of sound and

efficient employment service. It has the understanding of employment problems and of the operation of the labor market which is essential in this field. It possesses the necessary specialists and the wealth of information on occupations, employment trends, wage rates, working conditions, labor legislation and other matters essential to employment counseling and placement.

Close working relations between the United States Employment Service and most of the agencies of the Labor Department are vital to the success of both. The Bureau of Labor Statistics has a fund of information on employment and occupations which is basic to the planning and operation of the Service. The Women's Bureau and the Child Labor Branch of the Wage and Hour Division afford expert advice on employment problems relating to women and adolescents. The Bureau of Labor Standards can assist the Service on questions of working conditions and other labor standards, and the Bureau of Apprenticeship on occupational-training problems. At the same time the various agencies of the Labor Department need the detailed current information on labor problems and the condition of the labor market which the United States Employment Service possesses.

Experience has demonstrated that unemployment insurance must be administered in close relationship with employment service and other employment programs. In many of our industrial States, and in most foreign countries, unemployment insurance is administered by the agency responsible for labor functions. Furthermore, the unemployment-insurance system has a vital stake in the effectiveness of the program for employment services, for what benefits the employment service also benefits the unemployment-insurance program.

The transfer of the Bureau of Employment Security, including the United States Employment Service and the Unemployment Insurance Service, together with the functions thereof, will give assurance that primary emphasis will be placed on the improvement of the employment services and that maximum effort will be made to provide jobs in lieu of cash benefits.

The plan also transfers to the Department of Labor the Federal Advisory Council created by the act establishing the United States Employment Service. This Council consists of outstanding representatives of labor, management, and the public who are especially familiar with employment problems.

VETERANS' PLACEMENT SERVICE BOARD

Although the Veterans' Employment Service operates through the regular employment office system, its policies are determined by the Veterans' Placement Service Board created by the Servicemen's Readjustment Act of 1944. This Board consists of the heads of three Federal agencies, only one of which administers employment services. Furthermore, the full-time director of the Service is appointed by the Chairman of this Board, who is not otherwise engaged in employment-service activity, rather than by the head of the agency within which the agency within which the service is administered. Such an arrangement is cumbersome and results in an undue division of authority and responsibility.

In order to simplify the administration of the Veterans' Employment Service and assure the fullest cooperation between it and the

general employment service, the plan eliminates the Veterans' Placement Service Board and transfers its functions and those of its Chairman to the Secretary of Labor. By thus concentrating responsibility for the success of the Service, the plan will make for better service to the veteran seeking employment or vocational counseling.

This plan is a major step in the rebuilding and strengthening of the Department of Labor, which I am convinced is essential to the sound and efficient organization of the executive branch of the Government.

HARRY S. TRUMAN.

The WHITE HOUSE, June 20, 1949.

REORGANIZATION PLAN NO. 2 OF 1949

Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, June 20, 1949, pursuant to the provisions of the Reorganization Act of 1949, approved June 20, 1949

DEPARTMENT OF LABOR

SECTION 1. *Bureau of Employment Security*.—The Bureau of Employment Security of the Federal Security Agency, including the United States Employment Service and the Unemployment Insurance Service, together with the functions thereof, is transferred as an organizational entity to the Department of Labor. The functions of the Federal Security Administrator with respect to employment services, unemployment compensation, and the Bureau of Employment Security, together with his functions under the Federal Unemployment Tax Act (as amended, and as affected by the provisions of Reorganization Plan No. 2 of 1946, 60 Stat. 1095, 26 U. S. C. 1600-11), are transferred to the Secretary of Labor. The functions transferred by the provisions of this section shall be performed by the Secretary of Labor or, subject to his direction and control, by such officers, agencies, and employees of the Department of Labor as he shall designate.

SEC. 2. *Veterans' Placement Service Board*.—The functions of the Veterans' Placement Service Board under title IV of the Servicemen's Readjustment Act of 1944 (58 Stat. 284, as amended; 38 U. S. C. 695-695f) are transferred to and shall be performed by the Secretary of Labor. The functions of the Chairman of the said Veterans' Placement Service Board are transferred to the Secretary of Labor and shall be performed by the Secretary or, subject to his direction and control, by the Chief of the Veterans' Employment Service. The Veterans' Placement Service Board is abolished.

SEC. 3. *Federal Advisory Council*.—The Federal Advisory Council established pursuant to section 11 (a) of the Act of June 6, 1933 (48 Stat. 116, as amended, 29 U. S. C. 49j (a)), is hereby transferred to the Department of Labor and shall, in addition to its duties under the aforesaid Act, advise the Secretary of Labor and the Director of the Bureau of Employment Security with respect to the administration and coordination of the functions transferred by the provisions of this reorganization plan.

SEC. 4. *Personnel, records, property, and funds.*—There are transferred to the Department of Labor, for use in connection with the functions transferred by the provisions of this reorganization plan, the personnel, property, records and unexpended balances of appropriations, allocations, and other funds (available or to be made available) of the Bureau of Employment Security, together with so much as the Director of the Bureau of the Budget shall determine of other personnel, property, records and unexpended balances of appropriations, allocations, and funds (available or to be made available) of the Federal Security Agency which relate to functions transferred by the provisions of this reorganization plan.



81st CONGRESS
1st Session

H. RES. 301

IN THE HOUSE OF REPRESENTATIVES

JULY 28, 1949

Mr. HOFFMAN of Michigan submitted the following resolution; which was referred to the Committee on Expenditures in the Executive Departments

RESOLUTION

- 1 *Resolved*, That the House does not favor the Reorgan-
2 ization Plan Numbered 2 of June 20, 1949, transmitted to
3 Congress by the President on the 20th day of June 1949.

81ST CONGRESS
1ST SESSION

H. RES. 301

RESOLUTION

Disapproving of Reorganization Plan Numbered 2 of 1949.

By Mr. HOFFMAN of Michigan

JULY 28, 1949

Referred to the Committee on Expenditures in the
Executive Departments

REORGANIZATION PLAN NO. 2 OF 1949

AUGUST 5, 1949.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. DAWSON, from the Committee on Expenditures in the Executive Departments, submitted the following

REPORT

[To accompany H. Res. 301]

The Committee on Expenditures in the Executive Departments to which was referred the resolution (H. Res. 301) disapproving of Reorganization Plan No. 2 of 1949, having considered the same, reports unfavorably thereon without amendment and recommends that the resolution do not pass.

GENERAL STATEMENT

The purpose of House Resolution 301 is to express disapproval of Reorganization Plan No. 2 of 1949, transmitted to the Congress by the President on the 20th day of June 1949, and the effect of the adoption of this resolution by the Congress will be to prevent such plan from coming into force and effect on August 19, 1949.

The purpose and the effect of the reorganization plan, in the absence of a disapproval by a House resolution, are set forth in the plan in the following words and figures:

SECTION 1. *Bureau of Employment Security.*—The Bureau of Employment Security of the Federal Security Agency, including the United States Employment Service and the Unemployment Insurance Service, together with the functions thereof, is transferred as an organizational entity to the Department of Labor. The functions of the Federal Security Administrator with respect to employment services, unemployment compensation, and the Bureau of Employment Security, together with his functions under the Federal Unemployment Tax Act (as amended, and as affected by the provisions of Reorganization Plan No. 2 of 1946, 60 Stat. 1095, 26 U. S. C. 1600–11), are transferred to the Secretary of Labor. The functions transferred by the provisions of this section shall be performed by the Secretary of Labor or, subject to his direction and control, by such officers, agencies, and employees of the Department of Labor as he shall designate.

SEC. 2. *Veterans' Placement Service Board.*—The functions of the Veterans' Placement Service Board under title IV of the Servicemen's Readjustment Act of 1944 (58 Stat. 284, as amended; 38 U. S. C. 695–695f) are transferred to and shall be performed by the Secretary of Labor. The functions of the Chairman of the said Veterans' Placement Service Board are transferred to the Secretary of Labor and shall be performed by the Secretary or, subject to his direction and

control, by the Chief of the Veterans' Employment Service. The Veterans' Placement Service Board is abolished.

SEC. 3. *Federal Advisory Council.*—The Federal Advisory Council established pursuant to section 11 (a) of the Act of June 6, 1933 (48 Stat. 116, as amended, 29 U. S. C. 49j (a)), is hereby transferred to the Department of Labor and shall, in addition to its duties under the aforesaid Act, advise the Secretary of Labor and the Director of the Bureau of Employment Security with respect to the administration and coordination of the functions transferred by the provisions of this reorganization plan.

SEC. 4. *Personnel, records, property, and funds.*—There are transferred to the Department of Labor, for use in connection with the functions transferred by the provisions of this reorganization plan, the personnel, property, records and unexpended balances of appropriations, allocations, and other funds (available or to be made available) of the Bureau of Employment Security, together with so much as the Director of the Bureau of the Budget shall determine of other personnel, property, records and unexpended balances of appropriations, allocations, and funds (available or to be made available) of the Federal Security Agency which relate to functions transferred by the provisions of this reorganization plan.

Many individuals and organizations have transmitted to the committee letters, telegrams, and statements, advancing various viewpoints on this subject matter. All have been reviewed and shall, as far as practicable, consistent with committee policy and economy, be incorporated into the record. Moreover, many witnesses have appeared before the committee, stating positions both for and against Reorganization Plan No. 2. Ample opportunity during the exhaustive hearings was given for exploration of the features of this transfer to the United States Department of Labor. The proposition embraced in this plan is not new, or novel, and has repeatedly been the subject of inquiry by the Congress. From the written statements filed with the committee, the opportunity of oral examination of witnesses, and from such questions as the members of the committee have asked, the following basic information has been elicited:

PURPOSE OF REORGANIZATION PLAN NO. 2

The effect of Reorganization No. 2 is to transfer the Bureau of Employment Security (composed of the U. S. Employment Service and the Federal Unemployment Compensation Service) from the Federal Security Agency, where it now reposes, to the United States Department of Labor.

This plan is in accord with the recommendations of the Commission on Organization of the Executive Branch of the Government as set out in a report submitted to the Congress on March 11, 1949, by its Chairman, the Honorable Herbert Hoover, former President of the United States.

BUREAU OF EMPLOYMENT SECURITY

In the message of transmittal, the President of the United States, dated June 20, 1949, it is succinctly stated that Reorganization Plan No. 2 of 1949—

* * * transfers the Bureau of Employment Security, now in the Federal Security Agency, to the Department of Labor and vests in the Secretary of Labor the functions of the Federal Security Administrator with respect to employment services and unemployment compensation, the latter which is now more commonly referred to as unemployment insurance. The plan also transfers to the Secretary of Labor the functions of the Veterans' Placement Service Board and of its Chairman and abolishes that Board. These changes are in general accord with recommendations made by the Commission on Organization of the Executive Branch of the Government * * *.

* * * The primary benefits from these reorganizations will take the form of improvements in administration and service. It is probable that a significant reduction in expenditures will result from the taking effect of the plan as compared with the current estimates and work-load assumptions contained in the 1950 budget as amended, but an itemization of such savings is not possible in advance of the transfer.

One of the major needs of the executive branch is a sound and effective organization of labor functions. More than 35 years ago the Federal Government's labor functions were brought together in the Department of Labor. In recent years the tendency has been to disperse such functions throughout the Government. New labor programs have been placed outside of the Department and some of its most basic functions have been transferred from the Department to other agencies.

* * * This course has been found to be fundamentally unsound and should be reversed. The labor programs of the Federal Government constitute interrelated functions requiring generally similar professional training and experience, involving numerous overlapping problems, and calling for strong, unified leadership. Together they form one of the most important areas of Federal activity * * *.

Public employment services and unemployment insurance are companion programs inextricably interrelated both in purpose and operation. The first assists workers in finding jobs and employers in obtaining workers; the second provides cash benefits for the support of workers and their families when suitable jobs cannot be obtained. Thus, each complements the other. At the local operating level the two programs are almost invariably carried on in the same unit—the local employment office. At the State level they are administered by the same agency in nearly every State. As a result, an unusually high degree of coordination at the Federal level is essential.

There can be no question as to the basic consideration which must govern the administration of both of these programs. From the standpoint of all interested parties—the worker, the employer, and the public—the primary concern is employment. Essential as they are, unemployment benefits at a fraction of regular wages are a poor substitute for the earnings from a steady job. In the administration of these programs, therefore, primary attention must be focused on achieving the maximum effectiveness of the employment services. On them depend the prosperity and well-being of the worker and the extent of the unemployment-compensation burden on the employer and the public.

Evidence further has shown that the employment service and unemployment compensation functions are not related closely to the other functions of the Federal Security Agency, such as Social Security, education or public health programs, while on the other hand, the employment service and the unemployment compensation phase, both deal with employment and labor problems. Moreover, the most important part of these two functions is to find jobs for the unemployed, rather than to pay cash benefits to workers without jobs. Emphasis on finding the job for the worker reduces the amount which the public and employers will have to pay as unemployment compensation. The Department of Labor and its various agencies are directly concerned with promoting opportunities for employment.

It is believed that the Department of Labor is the agency which can contribute the most to the development of a sound and efficient employment service. It has the understanding of employment problems and of the operation of the labor market which is essential in this field. It possesses the necessary specialists and the wealth of information on occupations, employment trends, wage rates, working

conditions, labor legislation, and other matters essential to employment counseling and placement.

Close working relations between the United States Employment Service and most of the agencies of the Labor Department are vital to the success of both. The Bureau of Labor Statistics has a fund of information on employment and occupations which is basic to the planning and operation of the Service. The Women's Bureau and the Child Labor Branch of the Wage and Hour Division afford expert advice on employment problems relating to women and adolescents. The Bureau of Labor Standards can assist the Service on questions of working conditions and other labor standards, and the Bureau of Apprenticeship on occupational-training problems. At the same time the various agencies of the Labor Department need the detailed current information on labor problems and the condition of the labor market which the United States Employment Service possesses. Coordination of all of these facilities with the Bureau of Employment Security on a day-to-day basis will result in greater effectiveness and efficiency of departmental operations.

Experience has demonstrated that unemployment insurance must be administered in close relationship with employment service and other employment programs. In many of our industrial States, and in most foreign countries, unemployment insurance is administered by the agency responsible for labor functions. Furthermore, the unemployment-insurance system has a vital stake in the effectiveness of the program for employment services, for what benefits the employment service also benefits the unemployment-insurance program.

The transfer of the Bureau of Employment Security, including the United States Employment Service and the Unemployment Insurance Service, together with the functions thereof, will give assurance that primary emphasis will be placed on the improvement of the employment services and that maximum effort will be made to provide jobs in lieu of cash benefits.

The plan also transfers to the Department of Labor the Federal Advisory Council created by the act establishing the United States Employment Service. This Council consists of outstanding representatives of labor, management, and the public who are especially familiar with employment problems.

VETERANS' PLACEMENT SERVICE BOARD

Although the Veterans' Employment Service operates through the regular employment office system, its policies are determined by the Veterans' Placement Service Board created by the Servicemen's Readjustment Act of 1944. This Board consists of the heads of three Federal agencies, only one of which administers employment services. Furthermore, the full-time director of the Service is appointed by the Chairman of this Board, who is not otherwise engaged in employment-service activity, rather than by the head of the agency within which the Service is administered. Such an arrangement is cumbersome and results in an undue division of authority and responsibility.

In order to simplify the administration of the Veterans' Employment Service and assure the fullest cooperation between it and the general employment service, the plan eliminates the Veterans' Placement Service Board and transfers its functions and those of its Chairman to the Secretary of Labor. By thus concentrating responsibility for

the success of the Service, the plan will make for better service to the veteran seeking employment or vocational counseling.

In the past we have witnessed the reduction of the Department of Labor to a less effective organization because of a stripping of its vital elements. This unfortunate paring of the services of the Department of Labor was accomplished in a piecemeal manner:

Past history has found the following:

(a) The United States Employment Service was transferred in 1939 to the Federal Security Agency, where it has remained, except for the period from 1945 to 1948.

(b) The Immigration and Naturalization Service was transferred to the Justice Department in 1940.

(c) Except for its labor functions, the Children's Bureau was transferred to the Federal Security Agency in 1946.

(d) The Labor-Management Relations Act of 1947 transferred the conciliation activities of the Department to an independent Federal Mediation and Conciliation Service.

At that time the proposition was advanced that only in such a method of procedure could the Congress adequately study and validly pass on each of the functions to be transferred out of the Department of Labor. If that theory was valid then, it should apply with equal force now, when we have the President seeking through a separate reorganization plan to restore only the employment security and sundry functions to the Labor Department at this time.

RECOMMENDATIONS OF THE COMMISSION ON ORGANIZATION OF THE EXECUTIVE BRANCH OF THE GOVERNMENT

1913 saw the Department of Labor established as a separate department in our Government. The Hoover Commission report on the Department of Labor has stated:

the Department has been steadily denuded of functions at one time established within it. With the widening of Federal policy in the field of labor, there has been a growing tendency to set up specialized labor services outside of the Department, either as independent establishments or as subordinate units of other related agencies, thus causing a diffusion of labor functions throughout the Government.

At another point the Commission on Organization went on and deplored the fact that—

* * * the Department has lost much of its significance. It should be given more essential work to do if it is to maintain a significance comparable to the other great executive departments.

This Commission has made a number of recommendations regarding agencies and functions it deemed desirable to be transferred to the Labor Department. Among these proposals it listed the transfer of the Bureau of Employment Security. There is no indication from the reading of this report that the intention of the Commission demanded the simultaneous action on all these phases at one time. The Hoover Commission further averred that—

there are cogent reasons why these agencies and functions should be transferred to the Department of Labor. They are more nearly related to the problems of labor than those with which they are now associated and their transfer accords with the Commission's first report which recommended that agencies be grouped according to their major purposes.

Thus this reorganization plan merely seeks to lift the employment security functions lock, stock, and barrel out of the Federal Security Agency and deposit them in the Department of Labor.

As an aid to the committee the Honorable Herbert Hoover forwarded to the committee the following telegram:

PALO ALTO, CALIF.

The Honorable CHET HOLIFIELD,

*Chairman, Subcommittee on Executive and Legislative Reorganization,
House Office Building, Washington, D. C.:*

I have several long-established commitments in the West which prevent my appearance before the committee on the dates mentioned in your telegram. No doubt the committee will incorporate in its hearings the majority report upon the Labor Department made by the Commission on Organization of the Executive Branch of the Government. The Commission pointed out that the Labor Department has been steadily denuded of functions at one time established within it. It pointed out that good organization to prevent waste, overlap, and conflict require grouping of agencies as to their major purpose. It pointed out that the Department of Labor was originally created by the Congress for the exact purpose of bringing these agencies together. They are now diffused over many parts of the Government. The Commission pointed out that the overhead of the Department, in staff and expense, is equal to several other major departments of the Government, some of whom administer funds one hundred times as great and have employees one hundred times larger with the same overhead. With such overhead staff, the Department could better administer the various labor agencies than by diffusion over the Government. On pages 9 and 10 of that report we enumerated the agencies which we believe should be placed in, or restored to, the Labor Department. We stated that these functions were more nearly related to the problems of labor than they were to those with which they were associated in other agencies. The President's Reorganization Plan No. 2 does not transfer all of the agencies we recommended but, so far as the plan goes, I can endorse it. I would like to suggest to the committee that it might call Mr. James Rowe, Jr., a member of the Commission, who is a resident of Washington and who is familiar with the studies of the Commission.

HERBERT HOOVER.

The committee was favored, following the receipt of this telegram, with the presence and testimony of the Honorable James Rowe, a member of the Commission on Organization of the Executive Branch of the Government. He expressed himself as favoring Reorganization Plan No. 2 and he paralleled the views of Mr. Hoover in feeling that this transfer "is a step in the right direction."

FEASIBILITY OF THIS TRANSFER OF FUNCTIONS TO THE LABOR DEPARTMENT

In some quarters the committee has heard some questioning of this transfer of the Bureau of Employment Security to the Department of Labor. In the judgment of the committee, however, such objections are overcome by consideration of the inherent soundness of the plan and the testimony given at the hearings.

First, some opposition has been based upon alleged partiality of the Department of Labor, and upon a possible lessening of confidence on the part of employers in the Administration of the Bureau of Employment Security by the Department of Labor. The committee has considered this point carefully and advises that it is without foundation. Despite repeated questioning of every witness who advanced this as a basis, none of the witnesses were able to cite a single example of partiality. On the other hand, the testimony heard, satisfactorily maintained that the Department of Labor acts at all times in the public interest.

The claim that the Department of Labor is biased in favor of the worker ignores the fact that the Department of Labor is as much a public agency as is the Federal Security Agency. In this connection

the committee cites the testimony of the Honorable Herbert Hoover, in his appearance before the Senate Committee on Expenditures in the Executive Departments, June 30, 1949, which was made a part of the record:

I do not think any reasonable employer would have prejudices on that account. In any event, I do not see any difference which will arise in the administration of a bureau wherever it is. I do not believe that an employer ought to have any less confidence in the objectivity of the Labor Department than the Federal Security Agency. If there is such criticism, the employer ought to realize that these bureaus placed in the Labor Department will be under the more vivid searchlight of public opinion, than in the Federal Security Agency, whose major purposes are not related to the subject.

My own view is that both sides would be better protected.

The point was advanced also that employers might not use the Employment Service if it were placed under the Department of Labor, this contention is contrary to the facts as presented by Secretary of Labor Tobin in his testimony:

During the 24 years when the Employment Service was in the Department of Labor, employers did use it and on a constantly increasing scale. In fact job orders and placements recorded in the official records of the Employment Service in the years 1945 to 1948, when the Employment Service was in the Department of Labor, show that employers used this Service more than at any other peacetime period since the Wagner-Peyser Act was enacted in 1933.

One aspect of the reorganization plan which most favorably impressed the committee was the proposal for expanded use of the Federal Advisory Council. This Council, composed of outstanding individuals drawn from the ranks of management, labor, and the public, is required by the present law to advise on policies for the Employment Service. The plan would require this Council to be consulted also on policies for administering the Unemployment Insurance Service. The committee regards this procedure as a guaranty that the public will at all times be consulted in the operations of the Bureau of Employment Security.

Secondly, it was also felt that the Department of Labor might increase the cost to employers of providing unemployment-compensation benefits, and would abolish the experience-rating system under State unemployment-compensation laws. The evidence adduced is very clear, however, and the committee was satisfied that such action would not obtain under the law. The committee learned that the Bureau of Employment Security must be administered in accordance with the provisions of four laws. These are:

1. The Wagner-Peyser Act.
2. The Servicemen's Readjustment Act.
3. The Social Security Act.
4. The Federal Unemployment Tax Act.

These laws, and these laws alone, govern the Bureau's activities, whether the Bureau is situated in the Department of Labor or in the Federal Security Agency. As long as State laws meet the specific standards set out in the Federal law, the State systems must be approved by the Federal Government, and Federal aid must be granted to those States.

With regard to experience rating, the testimony was crystal clear and Secretary Tobin agreed that, for all practical purposes, the State can read the Federal statute, submit a plan for experience rating complying with the standards of the statute, and that plan must be approved by the Department of Labor. For example, the Federal

Unemployment Tax Act provides for a 3-percent tax on employer's pay rolls. All except three-tenths of 1 percent of this tax may be offset by payments made under the State law. The Federal law in addition provides that the employer shall be allowed credits with respect to a reduced rate permitted by State law on experience-rating basis. This is for the purpose of encouraging the experience-rating system. The Federal law spells out certain standards which the experience-rating system must meet. When these standards are met, additional credits may be allowed with the range between 0 percent and 2.7 percent.

The committee is confident that no administrative agency can legally abolish the experience-rating system or prevent any State from adopting such a system. This is because protection of the system has been written into law by the Congress. It is well to bear in mind that Congress alone may change or abolish the experience-rating system. Neither the Federal Security Agency nor the Department of Labor can make this change.

Thirdly, testimony of some witnesses sought to develop that transfer of the Bureau of Employment Security to the Department of Labor would be less economical and would be duplicative of existing facilities of the Federal Security Agency. The committee was satisfied that this is an unwarranted conclusion from all the evidence presented. The testimony showed that the cost of the Bureau of Employment Security would not be increased by the transfer. This applies to the field and regional services as well as to the central operations of the Bureau. The Department of Labor, for example, has the same number of regional offices as the Federal Security Agency. With one exception, all of these offices are coincidentally in the identical cities harboring the regional offices of the Federal Security Agency.

CONCLUSION

There exists today a definite need for a more effective use of the Department of Labor. All sides agree that the employment-service function and with it the administration of unemployment compensation are a combination of interdependent functions dealing with the labor force. This transfer would remove labor functions from the Federal Security Agency, which deals primarily with phases of our society directed in the field of public benefit and welfare.

The Hoover Commission, after a study of the Department of Labor, has gone on record as urging this transfer as set out in Reorganization Plan No. 2. Herbert Hoover, its Chairman, characterizes it as a "step in the right direction."

President Truman in his message of transmittal, accompanying Reorganization Plan No. 2, dated June 20, 1949, indicated that—

this plan is a major step in the rebuilding and strengthening of the Department of Labor, which I am convinced is essential to the sound and efficient organization of the executive branch of the Government.

Among the proponents of this transfer which included Hon. Maurice Tobin, Secretary of Labor, and Hon. Frederick J. Lawton, Assistant Director of the Bureau of the Budget, it would be well to cite the statement of Mr. Oscar Ewing, Administrator of the Federal Security Agency, from which Reorganization Plan No. 2 would transfer these

functions, recommended with favor this relocation in the following language:

The labor functions of the Government should be closely coordinated. The United States Employment Service is concerned primarily with the placement of workers in jobs, and clearly is a major labor function of the Government. Accordingly, it should be a part of the Department of Labor.

Experience has shown that the Bureau should remain intact, since its two main functions are so closely interlocked in purpose and effect. Each reacts on the other, and they cannot be separated without damage to both.

In refusing to allow the transfer of these functions in the past, congressional action has been predicated upon the desire of many Members to await the studies and recommendations of the Commission on Organization of the Executive Branch of the Government. We now have the benefit of such studies. They favor the transfer of the Employment Security Service. This plan clearly affords the Congress an opportunity to further the cause of long-range economy and immediate increased efficiency in the Federal Government.

In the light of the above considerations the majority is convinced that Reorganization Plan No. 2 of 1949 should be effectuated, and that House Resolution 301 should be rejected.

FEDERAL SECURITY AGENCY,
Washington 25, D. C., August 3, 1949.

HON. WILLIAM L. DAWSON,
*Chairman, Committee on Expenditures in the Executive Departments,
House of Representatives.*

DEAR MR. CHAIRMAN: I should appreciate the inclusion in the record of hearings before your committee of an expression of my wholehearted endorsement of Reorganization Plan No. 2 of 1949.

The labor functions of the Government should be closely coordinated. The United States Employment Service is concerned primarily with the placement of workers in jobs, and clearly is a major labor function of Government. Accordingly, it should be a part of the Department of Labor.

Experience has shown that the Bureau should remain intact, since its two main functions are so closely interlocked in purpose and effect. Each reacts on the other, and they cannot be separated without damage to both.

As for the Veterans' Placement Service Board, I believe there is no need for me to elaborate upon the reasons already advanced before your committee in support of the transfer of its functions to the Department of Labor. I am in complete accord with the President's proposal.

Sincerely,

OSCAR R. EWING, *Administrator.*

LANSING, MICH., August 4, 1949.

HON. WILLIAM L. DAWSON,
House Office Building, Washington, D. C.:

Endorse Hoover Commission recommendation plan No. 2 which places Bureau of Employment Security under Labor Department.

G. MENNEN WILLIAMS,
Governor of Michigan.

WASHINGTON, D. C., August 4, 1949.

Hon. WILLIAM L. DAWSON,
*Chairman, Committee on Expenditures in the Executive Departments,
 House Office Building:*

Regret I was absent from city during hearings by your committee on President's Reorganization Plan No. 2. Please inform committee members American Federation of Labor wholeheartedly in support this plan transferring Bureau Employment Security to Labor Department. Statement setting forth our reasons for this position in full follows by letter.

WILLIAM GREEN,
President, American Federation of Labor.

(See statement in hearing.)

BOSTON, MASS., August 3, 1949.

Hon. WILLIAM L. DAWSON,
*Chairman, Committee on Expenditures in the Executive Departments,
 United States Congress, Washington, D. C.:*

The State Advisory Council of Massachusetts, Division of Employment Security, a body created by statute and comprised of following membership: Joseph A. Dunn and Stephen V. Duffy, employers; Daniel J. McCarthy and Jacob Prager, labor; Francis J. Carreiro and Herman J. Dumas. The public, at its meeting on July 27, unanimously voted its approval of the President's Reorganization Plan No. 2 of 1949 wherein it recommends transfer of employment service and unemployment compensation functions to the Department of Labor. The council unanimously urges you to support the President's plan.

FRANCIS J. CARREIRO,
Chairman, State Advisory Council, Division of Employment Security.

WASHINGTON, D. C., August 3, 1949.

Hon. WILLIAM L. DAWSON,
*Chairman, House Committee on Expenditures in the Executive Departments,
 House Office Building, Washington, D. C.*

DEAR CONGRESSMAN DAWSON: Transmitted herewith is a statement in support of Reorganization Plans Nos. 1 and 2 by Paul Sifton, national legislative representative of the United Automobile Workers-C. I. O, in behalf of the Congress of Industrial Organizations.

Will you please make the CIO statement a part of the record of your hearings on the reorganization plans?

Sincerely yours,

NATHAN E. COWAN,
CIO Legislative Director.

(See statement in hearing.)

WASHINGTON, D. C., August 4, 1949.

Hon. WILLIAM L. DAWSON,
*Chairman, House Committee on Expenditures in the Executive Departments,
 Washington, D. C.:*

The Railway Labor Executives' Association desires to record its support of the President's Reorganization Plan No. 2 which would transfer the Bureau of Employment Security from the Federal Security Agency to the Department of Labor. While railway workers are not directly affected, we believe in the general public interest the proposed reorganization should be made.

A. E. LYON,
Executive Secretary, Railway Labor Executives Association.

MINORITY VIEWS

The minority is of the opinion that House Resolution 301, the purpose of which is to disapprove Reorganization Plan No. 2, of June 20, 1949, which the President states—

transfers the Bureau of Employment Security, now in the Federal Security Agency, to the Department of Labor and vests in the Secretary of Labor the functions of the Federal Security Administrator with respect to employment services and unemployment compensation, the latter of which is now more commonly referred to as unemployment insurance. The plan also transfers to the Secretary of Labor the functions of the Veterans' Placement Service Board and of its chairman and abolishes that Board.

should be adopted by the House.

STATEMENTS OF FACT

That there may be no misunderstanding, let it be stated now and kept in mind throughout the reading of these views, as well as during the consideration of the resolution in the House, that the minority is in favor of plans to reorganize the executive departments, which will carry out the recommendations of the Hoover Commission which were designed to promote economy and efficiency in those departments.

In committee the vote on House Resolution 301 was as follows:

Ayes:

Mr. Dawson
Mr. Holifield
Mr. Lanham
Mr. Hardy (by proxy)
Mr. Karsten
Mr. McCormack
Mr. Huber
Mr. Blatnik
Mr. Donohue
Mr. Wagner
Mr. Burnside
Mr. Bolling
Mr. Tauriello
Mr. Roosevelt

Nays:

Mr. Hoffman
Mr. Rich
Mr. Riehlman
Mr. Harvey
Mr. Halleck
Mr. Lovre
Mr. Bolton

Ayes, 14; nays, 7; Mr. Pfeiffer not present (out of town on official business).

"Hoover" label not guaranty of economy and efficiency

The minority is not so naive as to accept the thesis that all proposed legislation on which there may have been pasted a "Hoover" label by the administration either will, or was even designed to, give us the economy and efficiency which was the objective of the Hoover Commission.

Though the President states in his message of June 20, 1949, transmitting Reorganization Plan No. 2, that—

These changes are in general accord with recommendations made by the Commission on Organization of the Executive Branch of the Government—

that statement while true, is not the whole truth.

While this plan transfers the Bureau of Employment Security and the Advisory Council attached to it from the Federal Security Agency to the Labor Department and also abolishes the Veterans' Service Placement Board and transfers its functions to the Department of Labor, it adopts but one of the Hoover Commission's recommendations regarding the Labor Department.¹

Plan No. 2 ignores the following recommendations of the Commission:

1. That the Bureau of Employees Compensation and its Appeals Board be transferred from the Federal Security Agency to the Labor Department.²

2. That certain components of the Division of Industrial Hygiene of FSA be transferred to the Labor Department.³

3. That the Selective Service System, now an independent agency, with its Appeals Board be transferred to the Labor Department.⁴

4. That the functions of determining minimum wages for seamen now in the Maritime Commission be transferred to the Labor Department.⁵

5. That the functions of the enforcement of labor standards in Government contracts to be transferred to the Labor Department (from contracting departments and agencies).⁶

6. That the functions of "prevailing wage" research be conducted by the Bureau of Labor Statistics.⁷

"One package plan"

During the hearings several members of the committee in questioning witnesses who objected to this reorganization plan because it did not embody all of the Hoover Commission recommendations on the issue being considered stated that under the Reorganization Act the President must send down a "one package" plan, was not permitted to include several desirable changes, if he had such in mind. Apparently the members of the committee in making that point, and they made it repeatedly, sometimes to the discomfiture of the witness, overlooked the fact that the "one package" treatment was carried in subsection (a) of section 5 of H. R. 2361 but was stricken out in conference and is not in the Reorganization Act of 1949.⁸

The purpose of the transfer

One of the principal objectives, perhaps the principal one, of this proposed transfer is to get into the Department of Labor the authority to determine when an unemployed employee shall receive unemployment compensation and the amount of that compensation.

The drive to accomplish that purpose is not new, nor are those who advocate the change unknown. The placing of this function in the Labor Department has always been advocated by the Labor Department and by employees' organizations. The Labor Department, like every other department, always has been and now is opposed to any move which would lessen its authority or size. Naturally, employees' organizations have always supported that position because they evidently believe they would receive more favorable treatment from that department than from the Federal Security Agency.

Employers and employers' organizations have as consistently opposed the placing of this function in the Labor Department because

¹ See Report on Department of Labor, p. 14.

² See Report on Department of Labor, p. 11.

³ See Report on Department of Labor, pp. 10 and 18.

⁴ See Report on Department of Labor, p. 15.

⁵ See Report on Department of Labor, pp. 15, 16).

⁶ See Report on Department of Labor, p. 10.

⁷ See Report on Department of Labor, pp. 16, 17.

⁸ See H. Rept. No. 843, 81st Cong., 1st sess.

evidently they believed that the funds collected from the State and appropriated by the Federal Government should be administered through an impartial agency or at least one not disposed to unduly favor employees or employees' organizations. Many employers and employers' organizations have consistently contended that the Labor Department was not an unbiased organization.

Purpose of Labor Department—Promotion of wage earners' interests

The minority is of the opinion that the Labor Department is predisposed to favor employees and employees' organizations, not only generally, but in the administration of unemployment compensation.

That opinion is derived from the statute creating the Department, from the testimony taken at this and previous hearings which involved the same issue.

Moreover, some members of the minority base their conclusions, in part, upon the reading of decisions of those charged with the administration of so-called labor legislation and specific cases which have been brought to their attention, as well as the trend since the creation of the Department of Labor to foster and promote the interests of employees and their organizations.

A Department of Labor was first established by the act of June 13, 1888, and it was placed under the jurisdiction and made a part of a new department called the Department of Commerce and Labor by the act of February 14, 1903.

The present Department of Labor was created by act of March 4, 1913. The act states:

The purpose of the Department of Labor shall be to foster, promote, and develop the welfare of the wage earners of the United States, to improve their working conditions, and to advance their opportunities for profitable employment.⁹

The Department of Labor was established to be, it is and no doubt it always will be a special pleader for, if the term may be used "labor" and labor organizations.

The proponents of the transfer of the Bureau of Employment Security to the Department of Labor vigorously and sometimes heatedly challenged the assertion that the Department of Labor is a special pleader or tends in its decisions to favor employees and employees organizations. In view of the purpose for which the Department was created, as indicated by the above quotation from the statute, that attitude seems rather absurd.

Especially is that opinion justified when we remember that in the act creating the Department of Commerce we find:

It shall be the province and duty of said Department to foster, promote, and develop the foreign and domestic commerce, the mining, manufacturing, shipping, and fishery industries, and the transportation facilities of the United States.¹⁰

The several Departments were created to further the interests of certain groups or activities.

In view of the fact that some members of the committee during the hearings seriously questioned the allegation that the Department of Labor was a special pleader for employees and their organizations, predisposed to render decisions unfavorable to employer and employers organizations, and vigorously disagreed with some of the witnesses

⁹ See 37 Stat. 736 (act of Mar. 4, 1913).

¹⁰ See act of Feb. 14, 1903, 32 Stat. 826.

who asserted that such was the fact, the foregoing statutes were cited and the following is quoted from page 18 of the Hoover Commission Task Force report on Public Welfare, appendix P:

The Department of Labor was originally created in response to the desire of organized labor. An argument at the time of its creation was that labor was entitled to a place in the President's Cabinet. The objective of the Department as stated in the organizational act, was "to foster, promote, and develop the welfare of the wage earners of the United States, to improve their working conditions, and to advance their opportunities for profitable employment." Over the years since the Department was established the Secretaries have been drawn from the ranks of organized labor or from persons reasonably acceptable to labor. At the time of the recent debates on the location of the Employment Service and unemployment compensation the Department had one Assistant Secretary from the American Federation of Labor, one from the Congress of Industrial Organizations, and one from an independent labor organization. Each was primarily responsible for the relationships between the Department and the group with which he was affiliated.

Under these conditions it is not surprising that there are employers who regard the Department of Labor as one created to advance the interests of a particular group, a large and politically powerful group. In the general public are substantial numbers, moreover, who think of the Department of Labor in about the same way. The existence of this point of view possibly explains in part why the administration of unemployment compensation, old-age and survivors insurance, and the three relief categories of the Social Security Act were entrusted to a newly established Social Security Board rather than to the existing Department of Labor. It may also help to explain the gradual diminution in the scope of the Department since 1935.

Suggested transfer not new—Twice rejected

The issue presented to the committee by Reorganization Plan No. 2 is not a new one. The same proposal was transmitted to the Congress by Reorganization Plan No. 2 of 1947,¹¹ which proposed to transfer the United States Employment Service to the Department of Labor. Hearings were held on May 21, 22, 23, 24, 26, and 27, 1947, on plan No. 2 and also on certain other plans, which were transmitted at approximately the same time. Twenty-one witnesses were heard; statements, letters, and telegrams were received and made a part of the record. The committee heard all witnesses who expressed a desire to be heard.

On June 2, 1947,¹² the committee filed a unanimous report disapproving of the proposed transfer. Among other things, that report stated:

THE UNITED STATES EMPLOYMENT SERVICE

The United States Employment Service (except in the District of Columbia) is not an operating agency. It is a supervising agency which grants allocations of money to the various State governments for the administration of State employment services. In order to receive these funds, each State must submit a plan, approved by the United States Employment Service, under the provisions of the Wagner-Peyser Act of 1933.

The United States Employment Service also serves as a clearing house for the distribution of employment information between the States.

The original Wagner-Peyser Act of 1933 established the United States Employment Service in the Department of Labor. In 1939 it was transferred by President Roosevelt to the Federal Security Agency.

In 1942, after federalization of the State employment services, the United States Employment Service was transferred to, and became the operating agency of, the War Manpower Commission.

After VJ-day, the War Manpower Commission was abolished and the United States Employment Service was transferred to the Department of Labor, under

¹¹ H. Rept. No. 499, 80th Cong., 1st sess.

¹² *Ibid.*

the authority of the First War Powers Act. It is temporarily located in this agency today.

Until last November, its operations included the actual placement which had been performed by the State employment services prior to their federalization. In November, due to action of the Congress, the operating employment offices and personnel were returned to the respective States.

The present situation is, accordingly, the same as it was in 1939 when President Roosevelt transferred the United States Employment Service to the Federal Security Agency; hence, the message which he wrote in connection with such transfer is equally applicable to the situation as it exists today. That message, insofar as it related to the Employment Service, is quoted in the report of a member of the staff, which is included in the hearings.

The hearings brought out that—

1. The Bureau of the Budget, while favoring the recommendation of the President, indicated that its professional staff differed as to the solution of this organization problem.

2. The Department of Labor's representatives favored the consolidation of the two functions in one agency and expressed the opinion that the Department of Labor could administer more efficiently the two functions than any other agency of the Government because of the related programs having to do with labor statistics and other labor laws.

3. The representatives of the Federal Security Agency believed that the administration of the unemployment compensation laws should remain, as at present, related to the administration of social-security laws.

4. The representatives of the State bodies administering these two programs expressed the belief that more efficiency and economy would be obtained by consolidating the two functions. These representatives also expressed the belief that the preferred handling of this organization problem in the Federal Government would be:

(a) Transfer United States Employment Service to the Federal Security Agency.

(b) Consolidate into one unit the administration of Federal Employment Service and the unemployment compensation functions under one head, in the Bureau of Employment Security, under the Federal Security Administrator.

The State directors gave the following reasons for their recommendations:

1. The Federal Social Security Act requires that every State unemployment compensation law provides for payment of benefits through public employment agencies. All State laws make the same requirement in accordance with Federal law.

2. Thus the employment services are in effect the local administrative offices through which unemployment benefits are paid. Applicants for unemployment benefits must first file an application for work. The local offices simultaneously attempt to refer the individual to a job and to determine his benefit eligibility. Benefits are paid only if a job cannot be found.

3. Practically all States have integrated their employment service operations completely with their unemployment compensation activities. There is now in most States no direct dividing line at the local level between the job placement and unemployment compensation functions.

4. The Federal law in effect prohibits the States from paying the administrative costs of either of these activities out of employment taxes. The Federal Government diverts to the Federal Treasury approximately one-sixth of all unemployment taxes collected and, in turn, makes grants to the States for administration of unemployment compensation and employment services.

5. The grants for unemployment compensation administration, after appropriation by Congress, are allocated to the various States by the Bureau of Employment Security, under the Social Security Commissioner. The grants for employment operation, after appropriation by Congress, are allocated to the various States by the United States Employment Service. Thus, under the present system, every State agency is dependent upon allocations by two separate Federal agencies. The result is complete financial confusion.

6. The United States Employment Service is concerned with one function—promoting employment security by placement of the jobless. The Federal agency which is charged with the over-all problem of employment security is the Bureau of Employment Security under the Social Security Commissioner in the Federal Security Agency.

7. The primary activities of the Employment Service can be performed better within the Federal Security Agency. There are neither major nor minor activities which would require locating the Service in the Department of Labor.

8. Expenses of operating the United States Employment Service could be expected to be lower in the Federal Security Agency than in the Department of Labor. Such reduction in expense should result from the integration of all of the employment security work of the Federal Government in one agency. For example, the United States Employment Service audits State administrative expenditures. Such auditing must also be done by the Bureau of Employment Security. There is no reason why these functions cannot be obtained and performed by the same staff.

9. The Employment Service creates no job opportunities. Jobs must be offered by employers. They will be offered through the Employment Service to the extent that employers have confidence in the ability of the Employment Service to perform an efficient, unbiased service. During the years preceding the war, the public Employment Service gained rapidly in establishment of employer confidence. During the war much ground was lost and employer confidence deteriorated steadily, largely due to the fact that both compulsion and "social planning" were to a considerable extent substituted for free services.

The chief argument of the Federal officials urging the permanent transfer to the Department of Labor was the fear that, in the Federal Security Agency, the job-placement function would be subordinated to the payment of unemployment benefits.

No other witnesses concurred in this fear. The fact of the matter is that such subordination would have to take place at the operating level—in the States—in any event.

The great weight of the evidence is to the effect that social-security activities, which concern all the people—employers, employees, and generally the public—should be consolidated in one neutral agency. The committee believes it would be as great a mistake to place the Employment Service under the jurisdiction of the Department of Labor as to place it under the Department of Commerce.

THE COMMITTEE'S OPINION

With reference to section I of the plan, the committee is of the opinion that—

1. The functions of the USES should be transferred to the Federal Security Agency and that the administration of the unemployment compensation laws be consolidated with it in such a manner that emphasis will be placed, in the administration of the consolidated program, upon the work of the Employment Service and that the administration of the unemployment compensation laws be considered as a part of the total process of employment security.

2. When these services are transferred and consolidated in the Federal Security Agency, the grants to States for both employment service and unemployment compensation administration should be supervised by the Bureau of Employment Security, as was the case from 1939 to 1942.

The committee recommendation to reject plan No. 2 of May 1, 1947, was adopted by the House on June 10, 1947, and by the Senate on June 30, 1947.

On January 19, 1948, the President tried again. He transmitted to the Congress Reorganization Plan No. 1 of 1948, which he said:

Transfers the United States Employment Service and the Bureau of Employment Security to the Department of Labor. The United States Employment Service is now in the Department of Labor by temporary transfer under authority of title 1 of the First War Powers Act, 1941, while the Bureau of Employment Security is at present a constituent unit of the Federal Security Agency. This plan will place the administration of the employment service and unemployment compensation functions of the Federal Government in the most appropriate location within the executive establishment and will provide for their proper coordination.

Hearings were held on the 5th, 6th, and 7th of February 1948. The request of all those who expressed a desire to be heard was granted and 38 witnesses appeared before the committee. Statements, letters, and telegrams were also received.

The committee again disapproved of the transfer by a vote of 15 to 8. The conclusions stated in that report we think are sound, in no way changed by any testimony given at the recent hearings where

out seven witnesses were heard, where witnesses who desired to be heard were not given an opportunity to appear personally.

The reasons for the rejection of the plan, and it was rejected by the House on February 25, 1948, by the Senate March 16, 1948, still exist and are clearly set forth in the report.¹³ That report was as follows:

THE DEPARTMENT OF LABOR

The record shows that the Department of Labor was created by the Congress for the express purpose of fostering and aiding labor, no doubt on the theory that the public welfare was dependent upon the welfare of those who depended upon their daily toil for their livelihood.

Since such was and is the proper purpose and the legal function of the Department of Labor, it necessarily follows that that Department and those in it become advocates of, or at least give sympathetic consideration to, the programs of labor, whether advanced by organized or unorganized groups.

It is a matter of common knowledge that the Department of Labor has, in all of its endeavors since its creation, carried out to a very great degree its functions as prescribed by the Congress and by the President of the United States at the time of signing the bill. This committee believes that the Department of Labor should be, as it has been, a representative in the Cabinet of the United States in behalf of the working people and that by this method they have a voice in the highest governmental functions.

If this is true, as it appears to be, the Department of Labor could not, in supporting and promoting the aims of labor, be an impartial agency to carry out the provisions of the law with regard to unemployment compensation. That is no condemnation of the Department of Labor but, on the other hand, is a recognition of the fact that those who are charged with the duty of fostering the welfare of the Nation's workers could not, as a matter of fact, at the same time administer the provisions of the Unemployment Compensation Act as well as a neutral agency.

Assuming that the Department of Labor would make every effort humanly possible to be fair and to carry out the act of Congress according to its spirit and intent, there still remains the proposition that when there are two parties to a controversy, the agency which is supposed to administer an act of Congress impartially, but nevertheless in the interest of employees, would be placed in a very embarrassing position in promulgating rules and regulations for the administration of the unemployment compensation fund if there was the slightest degree of apparent partiality to either group.

The unemployment compensation is collected from the employers of the Nation, who employ more than eight people, by a 3-percent tax upon their pay rolls which, of course, is ultimately paid by the consumer, as are all taxes, wages, and profits. But the fact remains that, unless the people who contribute to this fund have absolute confidence in its fair administration, it would result in destroying our very fine system of paying some unemployed workers a portion of their salary for a short period when they are actually out of employment and are honestly seeking reemployment.

This committee believes that responsible, representative, democratic government would be best served (notwithstanding all the collateral issues that have been raised by partisans on both sides) by the continuation of this service as an unemployment insurance program, rather than to permit partisans on either side to take over and administer this fund.

As was stated by several witnesses, the Department of Labor, as originally conceived and now administered, quite properly represents and serves for the most part the interests of labor. Unemployment compensation is a social-insurance system.

Its ultimate aims, as we understand them, are to meet the immediate needs of eligible, unemployed working people and constitute a public policy which concerns all citizens of the United States. Employer rights and privileges must also be safeguarded.

It is the thought of the Committee on Expenditures in the Executive Departments that this all-important function of government should not degenerate into a political issue, but should be administered in the public interest for the public

¹³ See H. Rept. 1368, 80th Cong., 2d sess.

welfare. For this reason, if there were no other, we believe that, as between the Department of Labor and the Federal Security Agency, which is now administering this act, the Federal Security Agency will more nearly administer this fund in the public interest.

To the foregoing might be added the statement that, inasmuch as upon the public falls the ultimate cost of whatever benefits are paid, the interest of the public should be protected. It is quite evident that only by a neutral, disinterested agency can the interests of those who must buy in the market be safeguarded.

To summarize the above, the Department of Labor is a partisan advocate created and charged with the duty of protecting and advancing the interests of labor as such.

Unemployment compensation is a special benefit, an item of cost, paid in the first instance by the employer, ultimately by the consumer, to which only those belonging to a particular group are entitled.

Like every other benefit payment, to which citizens generally are entitled and the fund for which is not created by those receiving the benefits, it should be administered by an impartial agency under no obligation to those receiving the benefits.

The minority, that is, the Republican members of the committee, desire to again announce their wholehearted support of the recommendations of the Hoover Commission which promote either economy or efficiency. They call attention, however, to the fact that in legislation, as in medicine, not everything that is labeled a remedy is either designed to, or will, effect a cure.

The label on many an old-fashioned patent medicine, if believed, was a cure for many human ailments. The only purpose of the concoction which carried a cure-all label, all too often, like some legislation was pleasant to take but had been thrown together to make sell, put money in the vendor's pocket.

The Hoover Commission did a magnificent job. Its over-all recommendations are sound. The purpose of those recommendations is to all minds desirable.

Unfortunately, the Hoover label cannot be copyrighted, and since the Commission's report, it is evident that it is being, that it will be, misused and that again every effort will be made by various departments and agencies of the Government, as well as by some politicians, to foist upon an unsuspecting public, legislation bearing the Hoover label, but never designed to accomplish the purposes of the Hoover Commission.

Plan No. 2 does not follow the Hoover Commission's recommendations with reference to the Labor Department.

House Resolution 301 rejecting plan No. 2, should be adopted by the House for the reasons that—

(a) The Labor Department having been created to, and being a special pleader for labor—employees and employees' organizations—is naturally inclined to, and does, favor an ever more liberal interpretation of the rules and regulations governing the payments and the amount of the payments of unemployment compensation and;

(b) Such a policy calls for more and more money, which though paid in the first instance by the employer or the employer and the employee, ultimately comes from the consumer and;

(c) The funds for unemployment compensation are funds for a specific purpose and in which the public generally has an interest and should, therefore, be regarded as a trust fund, to be paid out only in accordance with the laws enacted by the Congress, interpreted to accomplish the purpose which the Congress intended and not to further the policies of any group;

(d) The interpretation, the administration, of the laws affecting unemployment compensation, the rules and regulations under which the law is to be administered, should be in the hands of an unbiased agency, whose sole purpose is to interpret the law, administer it in accordance with congressional intention.

The Labor Department is not such a disinterested agency.

ADDENDUM

Right of petition

To the report proper should be added an addendum, charitably expressing disapproval of the manner in which some of the witnesses were questioned.

In years gone by, committees of both the Senate and of the House have been severely and repeatedly criticized in the public press because of the way witnesses were examined, because of the manner in which they were treated. Some of that criticism was deserved; much of it was not.

Because congressional committees have the power to compel the attendance of witnesses and examine them, we should be extremely careful to treat all those so appearing not only fairly and courteously, but generously.

Many witnesses—and we are not referring now to the professional representatives of either big business or of labor organizations or to lawyers who have knowledge of court procedure—have had little or no experience in appearing either in courts or before congressional committees. They respect congressional committees, the members of such committees, and the authority invested in those committees.

Many of the witnesses come to Washington at their own expense, sometimes at much personal inconvenience. They come to exercise their constitutional right to petition the Congress. In reality, we, the Members of Congress, are their servants and for that reason, and because they do respect us and our authority, if we are to err on either side of the line which indicates fair, just, courteous, and generous treatment of a witness, it should be on the side which extends the greatest consideration to the witness.

The good faith of a witness, his sincerity, his authority to represent those for whom he claims to speak, if it is to be questioned, should be questioned only by clear, simple pertinent interrogatories seeking information which would be helpful in weighing his testimony—never by contradictory assertions made by the examiner; nor should his sincerity or his authority be impugned by innuendo or insinuation.

The purpose in making this statement is to call the attention of the Members of the House to the situation shown by the record and to lend support to the attempt now being made in the Senate to formulate rules governing the examination of witnesses and the procedure of the standing committees of the Congress.

CLARE E. HOFFMAN.
ROBERT F. RICH.
RALPH HARVEY.
HAROLD O. LOVRE.

(NOTE.—The writing of a minority report was authorized by the Republican members present, but due to unavoidable absence on official business, it was not read or signed by Mr. Riehlman, Mr. Halleck, or Mr. Pfeiffer.)

81ST CONGRESS
1ST SESSION

H. RES. 301

[Report No. 1204]

IN THE HOUSE OF REPRESENTATIVES

JULY 28, 1949

Mr. HOFFMAN of Michigan submitted the following resolution; which was referred to the Committee on Expenditures in the Executive Departments

AUGUST 5, 1949

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

RESOLUTION

- 1 *Resolved*, That the House does not favor the Reorgan-
- 2 ization Plan Numbered 2 of June 20, 1949, transmitted to
- 3 Congress by the President on the 20th day of June 1949.

81ST CONGRESS
1ST SESSION

H. RES. 301

[Report No. 1204]

RESOLUTION

Disapproving of Reorganization Plan Numbered 2 of 1949.

By Mr. HOFFMAN of Michigan

JULY 28, 1949

Referred to the Committee on Expenditures in the
Executive Departments

AUGUST 5, 1949

Committed to the Committee of the Whole House on
the State of the Union and ordered to be printed

S. RES. 151

IN THE SENATE OF THE UNITED STATES

AUGUST 5 (legislative day, JUNE 2), 1949

Mr. McCLELLAN (for himself and Mr. MUNDT) submitted the following resolution; which was referred to the Committee on Expenditures in the Executive Departments

RESOLUTION

- 1 *Resolved*, That the Senate does not favor the Reorgan-
- 2 ization Plan Numbered 2 transmitted to Congress by the
- 3 President on June 20, 1949.

RESOLUTION

Disapproving Reorganization Plan Numbered 2
of 1949.

By Mr. McCLELLAN and Mr. MUNDT

AUGUST 5 (legislative day, JUNE 2), 1949
Referred to the Committee on Expenditures in the
Executive Departments

REORGANIZATION PLAN NO. 2 OF 1949—TRANSFERRING THE BUREAU OF EMPLOYMENT SECURITY

AUGUST 8 (legislative day, JUNE 2), 1949.—Ordered to be printed

Mr. McCLELLAN, from the Committee on Expenditures in the
Executive Departments, submitted the following

REPORT

[To accompany S. Res. 151]

The Committee on Expenditures in the Executive Departments, having considered Senate Resolution No. 151, which provides that the Senate does not favor Reorganization Plan No. 2 of 1949, report favorably thereon and recommend that the resolution be approved by the Senate.

The President transmitted to the Senate on June 20, 1949, Reorganization Plan No. 2 of 1949, which would transfer the Bureau of Employment Security from the Federal Security Agency to the Department of Labor; transfer the functions of the Veterans' Placement Service Board, which determines the policies of the Veterans' Employment Service, to the Secretary of Labor, and abolish the Board; and transfer the Federal Advisory Council, created by the act which established the United States Employment Service, to the Department of Labor.

PROVISIONS OF REORGANIZATION PLAN No 2

DEPARTMENT OF LABOR

SECTION 1. *Bureau of Employment Security.*—The Bureau of Employment Security of the Federal Security Agency, including the United States Employment Service and the Unemployment Insurance Service, together with the functions thereof, is transferred as an organization entity to the Department of Labor. The functions of the Federal Security Administrator with respect to employment services, unemployment compensation, and the Bureau of Employment Security, together with his functions under the Federal Unemployment Tax Act (as amended, and as affected by the provisions of Reorganization Plan No. 2 of 1946, 60 Stat. 1095, 26 U. S. C. 1600-11), are transferred to the Secretary of Labor. The functions transferred by the provisions of this section shall be performed by the Secretary of Labor or, subject to his direction and control, by such officers, agencies, and employees of the Department of Labor as he shall designate.

SEC. 2. Veterans' Placement Service Board.—The functions of the Veterans' Placement Service Board under title IV of the Servicemen's Readjustment Act of 1944 (58 Stat. 284, as amended; 38 U. S. C. 695–695f) are transferred to and shall be performed by the Secretary of Labor. The functions of the Chairman of the said Veterans' Placement Service Board are transferred to the Secretary of Labor and shall be performed by the Secretary or, subject to his direction and control, by the Chief of the Veterans' Employment Service. The Veterans' Placement Service Board is abolished.

SEC. 3. Federal Advisory Council.—The Federal Advisory Council established pursuant to section 11 (a) of the Act of June 6, 1933 (48 Stat. 116, as amended, 29 U. S. C. 49j (a)), is hereby transferred to the Department of Labor and shall, in addition to its duties under the aforesaid Act, advise the Secretary of Labor and the Director of the Bureau of Employment Security with respect to the administration and coordination of the functions transferred by the provisions of this reorganization plan.

SEC. 4. Personnel, records, property, and funds.—There are transferred to the Department of Labor, for use in connection with the functions transferred by the provisions of this reorganization plan, the personnel, property, records and unexpended balances of appropriations, allocations, and other funds (available or to be made available) of the Bureau of Employment Security, together with so much as the Director of the Bureau of the Budget shall determine of other personnel, property, records and unexpended balances of appropriations, allocations, and funds (available or to be made available) of the Federal Security Agency which relate to functions transferred by the provisions of this reorganization plan.

BACKGROUND

1. UNITED STATES EMPLOYMENT SERVICE*

USES was established in the Department of Labor by the Wagner-Peyser Act of 1933. It was transferred to the Social Security Board in the Federal Security Agency by Reorganization Plan No. 1, effective July 1, 1939. There its functions were administered by the Bureau of Employment Security in conjunction with its administration of the unemployment compensation program. After war-time federalization of State employment services, USES was transferred to the War Manpower Commission by Executive Order No. 9247 of September 17, 1942. When the War Manpower Commission was abolished in 1945, USES was transferred back to the Department of Labor by Executive Order No. 9617 under title I of the First War Powers Act. Public Law 646, second session, Eightieth Congress (a supplemental appropriations act), retransferred USES to the Federal Security Agency, June 16, 1948.

2. UNEMPLOYMENT COMPENSATION

State unemployment compensation systems were established by the Social Security Act and the Unemployment Tax Act of 1935. State operated, the respective State unemployment compensation laws govern coverage, eligibility, duration of benefits, rates levied on pay rolls, etc. The Bureau of Employment Security operating in a supervisory capacity, allocates Federal funds to the States for the administration of the State unemployment compensation laws.

Mr. Oscar R. Ewing, Administrator of the Federal Security Agency, in a statement to the Committee on Expenditures in the Executive Departments (Congressional Record, July 18, 1949, pp. 9806–9811) supported Reorganization Plan No. 2 (a reversal of his position as expressed in a letter dated December 5, 1947, to former Budget Director James E. Webb, concerning Reorganization Plan No. 1 of 1948 which would have accomplished the same purpose), but

vigorously opposed transfer to the Bureau of Employees' Compensation and the Compensation Appeals Board from the Federal Security Agency to the Department of Labor.

The President, in his message to Congress in behalf of Reorganization Plan No. 2 of 1949, stated that—

this plan is a major step in the rebuilding and strengthening of the Department of Labor, which I am convinced is essential to the sound and efficient organization of the executive branch of the Government.

In commenting further on this premise, the President stated:

One of the major needs of the executive branch is a sound and effective organization of labor functions. More than 35 years ago the Federal Government's labor functions were brought together in the Department of Labor. In recent years, however, the tendency has been to disperse such functions throughout the Government. New labor programs have been placed outside of the Department and some of its most basic functions have been transferred from the Department to other agencies.

The Hoover Commission, in its report on the Department of Labor, also stressed the fact that the Department was overmanned at the top levels for the functions which still remain, and that it has lost much of its significance. In an effort to correct this situation, the Commission indicated that it should be given more essential work to do if it is to maintain a significance comparable to the other executive departments, and in line with this general premise, recommended the transfer of various agencies and functions to the Department, in addition to the Bureau of Employment Security covered under Reorganization Plan No. 2. The Commission recommended transfer to the Department of Labor of the Bureau of Employees Compensation and the Employees Compensation Appeals Board from the Federal Security Agency, the determination of minimum wages for seamen from the United States Maritime Commission, and that the Selective Service System be placed under the Secretary of Labor. Reorganization Plan No. 2, therefore, incorporates only a segment of the recommendations of the Hoover Commission.

The Director of the Selective Service System, in a letter to the chairman of the Committee on Expenditures in the Executive Departments (Congressional Record, July 21, 1949, pp. 10177-10180), strongly opposed the proposed transfer of the Selective Service System to the Department of Labor, contending that the Commission's proposal to transfer such functions to the Department on the ground that it had been "denuded" of its functions was untenable in that—

its responsibility, given by Congress, to guard the welfare of a segment of our population precludes it from assuming responsibilities which involve the welfare of other competing segments of our population.

Commenting on possible "bias" by the Department of Labor, which was repeatedly charged by various witnesses appearing before the committee in reference to the proposed administration of the Bureau of Employment Security, General Hershey pointed out that the Hoover Commission task force reports stated that—

at the present time the purposes of the Department of Labor are substantially the same as the general purposes of the labor unions. This situation is responsible for the fact that the Department of Labor is looked upon by the citizenry in general as the advocate of organized labor in the Government.

Maj. Gen. Philip B. Fleming, Chairman of the United States Maritime Commission, in opposing the proposed transfer of the func-

tions relating to the determination of minimum wages for seamen to the Department of Labor, pointed out that the task force report of the Hoover Commission on Regulatory Commissions took a position in opposition to such transfer.

CONFORMANCE WITH RECOMMENDATIONS OF THE HOOVER COMMISSION

Reorganization Plan No. 2 conforms to recommendations of the Hoover Commission in the following aspect only:

The Commission recommended transfer of the Bureau of Employment Security which includes the United States Employment Service and the Unemployment Insurance Service to the Department of Labor.

DIVERGENCE FROM RECOMMENDATIONS OF THE HOOVER COMMISSION

The Commission did not recommend abolishment of the Veterans' Placement Service Board, but recommended merging of the functions of the Veterans' Employment Service with the employment service of the Bureau of Employment Security, of which it is a part.

The Commission made no recommendation concerning the Federal Advisory Council, incorporated in Reorganization Plan No. 2.

Reorganization Plan No. 2 does not include these further recommendations of the Commission concerning the Department of Labor:

(1) Transfer of Bureau of Employees' Compensation from the Federal Security Agency.

(2) Transfer of the Employees' Compensation Appeals Board from the Federal Security Agency.

(3) Transfer of the Selective Service System, including appeals boards, which is independent.

(4) Transfer of the determinations of minimum wages for seamen on privately operated vessels from the Maritime Commission.

(5) Focusing prevailing wage, cost of living, and employment research now conducted by several agencies in the Bureau of Labor Statistics.

(6) Determination of a "logical" division of industrial hygiene functions between labor and health agencies.

(7) The plan also makes no mention of a Commission recommendation for concentrating enforcement of labor standards upon Government contracts in the Department of Labor.

HEARINGS

Hearings on Reorganization Plan No. 2 were held by the Senate Committee on Expenditures in the Executive Departments on July 25, 26, 27, and 28, 1949. Twenty-four witnesses testified upon the plan as follows:

WITNESSES FOR THE PLAN

Frank Pace, Jr., Director of the Bureau of the Budget, Washington, D. C.

Oscar R. Ewing, Federal Security Administrator, Washington, D. C.

Hon. Maurice J. Tobin, Secretary of Labor; accompanied by Michael J. Galvin, Under Secretary of Labor; William S. Tyson, Solicitor, Department of Labor.

Brig. Gen. John Thomas Taylor, director, national legislative committee, and John Lewis Smith, vice chairman, national economic commission, the American Legion, Washington, D. C.

James H. Rowe, Jr., attorney at law, Corcoran, Youugman & Rowe, Washington, D. C.; member, Commission on Organization of the Executive Branch of the Government.

Robert C. Goodwin, director, Bureau of Employment Security, Social Security Administration. Federal Security Agency, Washington, D. C.

Charles Sattler, labor commissioner, West Virginia, and president, International Association of Governmental Labor Officials.

Omar Ketchum, director, legislative service, Veterans of Foreign Wars, Washington, D. C.

WITNESSES AGAINST THE PLAN

A. R. Findley, vice president of Wieboldt Stores, Inc., Chicago, Ill., and chairman of the social security committee for the National Retail Dry Goods Association, Chicago, Ill.

Walter J. Mackey, representing the Ohio Manufacturers' Association, Columbus, Ohio.

James L. Donnelly, executive vice president, Illinois Manufacturers' Association, Chicago, Ill.

Voyta Wrobetz, chairman, industrial commission, State of Wisconsin, Madison, Wis.

Robert E. Hatton, chairman, unemployment compensation advisory committee, department of economic security, State of Kentucky.

Dwight Horton, member, Texas Employment Commission.

B. A. Krawczyk, attorney at law; supervisor, compensation department, Allis-Chalmers Manufacturing Co., Milwaukee, Wis.

P. M. Russell, chairman, social security committee, New Jersey State Chamber of Commerce.

Robert B. Martin, social security committee, Illinois State Chamber of Commerce, Chicago, Ill.; treasurer, Kable News Co., Mount Morris, Ill.

R. K. Argo, member, committee on social security, Chamber of Commerce of the United States; personnel director, Alabama Mills, Inc., Birmingham, Ala.

Rudolf F. Vogler, manager, industrial council, Chamber of Commerce of Philadelphia.

Raymond C. Smith, director, Michigan Manufacturers' Unemployment Compensation Bureau, Inc., Detroit, Mich.

Alan Williamson, commissioner and counsel, employment security department, State of South Dakota.

Paul W. Kerr, member, board of directors, Indiana State Chamber of Commerce; president, Henry Weis Manufacturing Co., Elkhart, Ind.

Herschel Atkinson, executive vice president, Ohio Chamber of Commerce, Columbus, Ohio; chairman, social security commission, Council of State Chambers of Commerce.

Kenneth C. Patty, assistant attorney general, State of Virginia, Richmond, Va.

In addition, a total of 347 letters, telegrams, and statements concerning Reorganization Plan No. 2 were received by the committee. Of these, 9 endorsed the plan and 338 opposed the plan.

TESTIMONY IN SUPPORT OF REORGANIZATION PLAN No. 2

There was general agreement on the part of all witnesses, both for and against the plan, that the United States Employment Service and the Unemployment Compensation Service, which are the major components of the Bureau of Employment Security, should continue to be operated in conjunction with each other, regardless of any action taken on the plan.

Testimony in support of the transfer of the Bureau of Employment Security to the Department of Labor was predicated upon several factors. Chief among them was that the United States Employment Service by major purpose should be a component of the Department of Labor under the basic statutory authority which established the Department, viz.:

* * * the purpose of the Department of Labor shall be to foster, promote and develop the welfare of the wage earners of the United States * * * and to advance their opportunities for profitable employment.

It was held that the Unemployment Compensation Service is not a grants-in-aid program comparable to the various grants-in-aid programs now operated by the Federal Security Agency and that its transfer to the Department of Labor would not result in a "splintering" of the Federal Government's major grants-in-aid programs to the States, and therefore that the theory that all grants-in-aid programs should be brought together is not a tenable argument against the plan.

Witnesses emphasized that the recommendation of the Commission on Organization of the Executive Branch of the Government was unanimous (with certain general reservations concerning all recommendations of the Commission) in support of Reorganization Plan No. 2. In testifying upon the "experience rating system" of the Unemployment Compensation Service, a point of vigorous contention throughout the hearings, Secretary of Labor Tobin stated that the Department of Labor's position on retention or abolition of the system had not been determined, but declared that the Federal Security Agency had advocated abolition of the System. The Secretary insisted that administration of the System by the Department of Labor by statute would be governed directly by regulations pertaining to the operations of the system, and that any change in its operations would be a matter for decision by the Congress, not the Department nor the Service.

As to the matter of bias on the part of the Department of Labor, the Secretary stated that administration of the Bureau of Employment Security "is and must be governed solely by provisions of the Wagner-Peyser Act, the Servicemen's Readjustment Act, the Social Security Act, and the Unemployment Tax Act." He declared that excellent cooperation had been obtained between the Department of Labor and employers, stating that during the 24 years the Employment Service was in the Department, employers used it on a constantly increasing scale, and that from 1945 to 1948, employers used the Service more than in any other peacetime year since the Wagner-Peyser Act was enacted in 1933. "This," the Secretary stated, "is a complete refutation of the specious allegation that employers will not use the Employment Service in the Department of Labor."

Secretary Tobin testified that the proposed transfer would not add additional costs, emphasized the interdependence of the Bureau of Employment Security and other functions of the Department of Labor, such as the Bureau of Apprentice Training, the Wage and Hour Division, the Bureau of Veterans' Reemployment Rights, the Bureau of Labor Statistics, the Women's Bureau, etc., and that the functions of the Bureau related primarily to employment, and not to functions of welfare, health, or education.

Other witnesses who endorsed the plan supplemented the Secretary of Labor's testimony. Resolutions favoring adoption of the plan were submitted to the American Legion, Veterans of Foreign Wars, American Federation of Labor, and Congress of Industrial Organizations, among others.

TESTIMONY IN OPPOSITION TO REORGANIZATION PLAN NO. 2

Testimony in opposition to Reorganization Plan No. 2 involved several issues, but was concerned chiefly with widespread employer distrust of the ability of the Department of Labor to operate either the United States Employment Service or the Employment Compensation Service on an impartial public-service basis.

Interpreting the basic statute which established the Department of Labor as a mandate in the interests of one segment of the population only, opponents of Reorganization Plan No. 2 vigorously charged the Department with flagrant bias, pointed out that major labor organizations not only were represented at but dominated its top organization level, and expressed fear that employers would refuse to use the facilities of the Employment Service if it were transferred to the Department. Witnesses further alleged that transfer of the Bureau of Employment Security to the Department of Labor would result in eventual abolition of the efficiency rating system, under which formulas employers may obtain reduction in their unemployment compensation tax rates if they achieve consistent employment records, pointing to the opposition of the Thirteenth Annual Conference of Labor Officials in 1946, sponsored by the Department of Labor, which adopted a resolution recommending that the experience rating provisions be removed from State unemployment laws, and the consistent opposition of labor organizations to the system since.

Expressing agreement with the principle that the function of obtaining employment and paying unemployment benefits should be consolidated in the same department of government, opposing witnesses emphasized the affinity of unemployment benefits to other Federal security programs now operated by the Federal Security Agency, referring to President Roosevelt's message when he transmitted Reorganization Plan No. 1 of 1939, which established the Federal Security Agency, to the Congress:

I find it necessary to group in a Federal Security Agency those agencies of government, the major purposes of which are to promote social and economic security. * * *

It was further pointed out that separation of the two functions in the past had resulted in confusion, duplication and inefficiency and that the Congress had refused in 1947 (Reorganization Plan No. 2 of 1947, which was rejected) to separate them, and again in 1948 (Reorganiza-

tion Plan No. 1 of 1948, which also was rejected) to transfer both of them to the Department of Labor.

The facts that (A) Reorganization Plan No. 2 does not embody all recommendations of the Commission on Organization of the Executive Branch concerning the Department of Labor, and (B) that the Commission's task force, the Brookings Institution, which conducted a study of the problem, failed to take a position on the matter, because "its nature precludes its settlement on a purely factual basis" were stressed in opposition to the plan. The statement of the Brookings Institution follows:

The nature of this issue regarding the proper location of the Federal agency administering the Employment Service and Unemployment Compensation precludes its settlement on a purely factual basis, and in the last analysis this judgment must be exercised by the duly elected representatives of the people. The Brookings Institution is not submitting any formal recommendations on the subject because detailed facts alone do not determine the issue (task force report on Public Welfare, appendix).

The importance of retention of the Employment Service in a "neutral" agency was emphasized by various witnesses who charged that placement of the Service in the Department of Labor would "reduce its usefulness" to most of the 4,000,000 business establishments in the United States.

It was pointed out that the United States Employment Service does not "create" jobs, that it is the Nation's employers who have the jobs to give, and that it is in the workers' interest that the employers have implicit confidence in and make use of the Employment Service to recruit workers.

Witnesses charged the committee and the Congress with the responsibility of maintaining an effective employment service closely integrated with the payment of unemployment benefits—rather than the responsibility of "building up" the Department of Labor as recommended by the President and the Hoover Commission.

Contending that "a Department of Labor influenced by labor leaders is likely to continue to be opposed" to the experience rating formulas in State unemployment compensation systems, witnesses recommended retention of the system as a significant function which gives the employers "a concrete, tangible, additional stimulus to provide regular, steady jobs."

Witnesses in opposition charged no proof had been presented that the proposed transfer would achieve efficiency or economy, but protested that it would result in an increased cost burden upon the taxpayer, chiefly because additional regional offices would have to be established, or present regional offices expanded, by the Department of Labor to operate the functions involved.

REORGANIZATION PLAN NO. 2 OF 1949 SHOULD BE DISAPPROVED

A majority of the committee, after carefully considering the testimony submitted at the hearings and reviewing the legislative history of the Bureau of Employment Security is convinced that the retention of the service in the Federal Security Agency will better insure its operation on a fair and impartial basis, and that the best interests of all elements involved will be more fully protected under such agency.

After careful consideration of the facts presented, the majority of the committee also finds that Reorganization Plan No. 2 offers no assurances of increased efficiency nor any prospect of effecting economies in administration. Rather a majority of the committee is of the opinion that such transfer would probably result in increased administrative cost and require the establishment of additional field offices with necessary operating personnel.

The committee, therefore, recommends that Senate Joint Resolution 151, providing that the Senate does not favor Reorganization Plan No. 2, be adopted by the Senate.



81ST CONGRESS
1ST SESSION

S. RES. 151

[Report No. 852]

IN THE SENATE OF THE UNITED STATES

AUGUST 5 (legislative day, JUNE 2), 1949

Mr. McCLELLAN (for himself and Mr. MUNDT) submitted the following resolution; which was referred to the Committee on Expenditures in the Executive Departments

AUGUST 8 (legislative day, JUNE 2), 1949

Reported by Mr. McCLELLAN, without amendment

RESOLUTION

- 1 *Resolved*, That the Senate does not favor the Reorgan-
- 2 ization Plan Numbered 2 transmitted to Congress by the
- 3 President on June 20, 1949.

81ST CONGRESS
1ST SESSION

S. RES. 151

[Report No. 852]

RESOLUTION

Disapproving Reorganization Plan Numbered 2
of 1949.

By Mr. McClellan and Mr. Mundt

AUGUST 5 (legislative day, JUNE 2), 1949
Referred to the Committee on Expenditures in the
Executive Departments

AUGUST 8 (legislative day, JUNE 2), 1949
Reported without amendment

and ABRAHAM A. RIBICOFF, Democrat, Connecticut, all members of the House Committee on Foreign Affairs, favoring the creation by the non-European free countries and the free peoples of the Far East of a joint organization, consistent with the Charter of the United Nations, to establish a program of self help and mutual cooperation for that area and also favoring assistance by the United States to the free countries and free peoples of the Far East through such an organization.

This resolution represents the views of its sponsors that broad-scale economic and social development and improvement in the Far East will be the greatest barrier to the spread of communism into southeast Asia and the islands of the Pacific.

The resolution is a direct response to the suggestions implicit in the conference of Asiatic and Pacific States to consider the Indonesian question called by Prime Minister Jawaharlal Nehru, of the Government of India, in January 1949 and the address of President Quirino, of the Philippine Republic, to the congress on Wednesday in which he urged the free countries of southeast Asia and the Pacific to start the movement for closer cooperation in furtherance of their common interests. President Quirino emphasized his feeling that the free countries of Asia still had to halt the advances of communism by non-military means. He added, "Our problem is therefore basically economic."

The policy upon which the European recovery program is based has been proved by time and by experience to be the most enlightened development in American foreign policy since the Monroe Doctrine. It is based upon a completely new philosophy, the direct antithesis of imperialism by colonization or trade, practiced right up to the first World War by the nations which from time to time held the world leadership the United States now enjoys. The policy of the European recovery program and the policy of a far eastern cooperation which the sponsors of this resolution propose is a policy neither of political or economic domination or control but a policy of so improving the well-being of peoples that they will choose to fight for freedom of their own free will; as we are confident that this is the inevitable response of men and women with free minds.

This resolution follows also the pattern of the Harvard speech made in June 1947 by the then Secretary of State, General Marshall, inviting the nations of Europe to organize themselves for a program of self help and mutual cooperation which resulted in the Organization for European Economic Cooperation (OEEC) which in turn made the European recovery program possible. The sponsors of this resolution believe that a similar pattern should be followed and that by the adoption of this resolution the same kind of invitation will be extended to the free peoples of the Far East as was extended by General Marshall to the free peoples of Europe. It is noteworthy also that one of the greatest developments in world policy—the establish-

ment of the United Nations—had its origins in a similar resolution, the Fulbright resolution passed by the Congress in 1943. This resolution will be a means by which the influence of the United Nations may be strengthened and its purposes furthered in the Far East area.

The text of the resolution follows:

Resolved by the House of Representatives (the Senate concurring), That the Congress hereby expresses itself as favoring the creation by the non-European free countries and the free peoples of the Far East of a joint organization, consistent with the Charter of the United Nations, to establish a program of self help and mutual cooperation designed to develop their economic and social well-being, to safeguard basic rights and liberties and to protect their security and independence, and as favoring assistance by the United States to the free countries and free peoples of the Far East through such an organization.

COMMITTEE ON BANKING AND CURRENCY

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have permission to sit this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection?

EXTENSION OF REMARKS

Mr. WHITTINGTON asked and was given permission to extend his remarks in the Appendix of the Record and include an article appearing in the New York Herald Tribune on Saturday, August 4, 1949, entitled "Four Students Discover the South."

Mr. CARNAHAN asked and was given permission to extend his remarks in the Record and include a newspaper article.

Mr. VURSELL asked and was given permission to extend his remarks in the Record.

Mr. DINGELL asked and was given permission to extend his remarks in the Record and include an article appearing in the Washington Star of August 9.

Mr. SMATHERS asked and was given permission to extend his remarks in the Record and include an editorial.

Mr. KENNEDY (at the request of Mr. HOWELL) was given permission to extend his remarks in the Record.

Mr. FURCOLO asked and was given permission to extend his remarks in the Record in two instances and include a newspaper article.

Mr. GORDON (at the request of Mr. PRICE) was given permission to extend his remarks in the Record and include a letter from the Polish Falcon Organization.

SPECIAL ORDER GRANTED

Mr. BIEMILLER asked and was given permission to address the House on tomorrow for 15 minutes, following disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore entered.

RUTH BANKHEAD

Mr. STANLEY. Mr. Speaker, in House Resolution 317 on page 1, the name Amoretta is incorrectly spelled. The last letter in the name should be changed from "a" to "e." I ask unanimous con-

sent that the resolution may be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. McMILLAN of South Carolina. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

PLAYGROUNDS, POOLS, AND PARKS IN THE DISTRICT OF COLUMBIA

Mr. McMILLAN of South Carolina. Mr. Speaker, I am today introducing a resolution having for its purpose giving to the District Commissioners full jurisdiction over the playgrounds, pools, and parks within the borders of the District of Columbia. For the past several weeks we have witnessed a situation that we should not be faced with here in the Nation's Capital. Somebody should have authority to settle these matters expeditiously without closing the pools for several months during the hottest weather we have had in Washington in years. I hope that the Members of this House will vote for this resolution when it is called before the House.

EXTENSION OF REMARKS

Mr. STEED asked and was given permission to extend his remarks in the Record and include an editorial.

Mr. HARVEY asked and was given permission to extend his remarks in the Record and include an editorial.

Mr. KEATING asked and was given permission to extend his remarks in the Record and include three editorials dealing with the subject Excise Taxes Are Causing Unemployment.

Mr. POULSON asked and was given permission to extend his remarks in the Record in two instances and include editorials.

Mr. MILLER of Nebraska asked and was given permission to extend his remarks in the Record.

Mr. SADLAK asked and was given permission to extend his remarks in the Record and include an editorial.

Mr. WOLVERTON asked and was given permission to extend his remarks in the Record and include an editorial.

Mr. LEMKE (at the request of Mr. Gross) was given permission to extend his remarks in the Record in three instances and include newspaper articles in each.

Mr. DONOHUE asked and was given permission to extend his remarks in the Record and include extraneous matter.

Mr. WALSH asked and was given permission to extend his remarks in the Record and include an article.

SPECIAL ORDER GRANTED

Mr. DONDERO. Mr. Speaker, I ask unanimous consent that the special orders granted me today and tomorrow be canceled, and that I may have permission to address the House for 30 minutes on Tuesday next after the disposition of legislative matters and other special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. REES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

TITLE I AND TITLE II OF THE HOUSING ACT SHOULD BE EXTENDED

Mr. REES. Mr. Speaker, I have today introduced legislation to extend the time during which loans may be made under the provisions of title I and title II of the National Housing Act, as amended. Unless this law is extended, all rights under these titles will become inoperative after August 31, which is less than 3 weeks away. The bill I have submitted will continue the present provisions of title I and title II of the Housing Act until January 15, 1951.

Mr. Speaker, it is my contention that it is a much sounder policy and is for the best interests for the occupant of a home to give him a chance to buy his own home, rather than be a renter in so-called Government housing. This program has worked well in the past and in nearly all cases has been most satisfactory. It has operated at very little cost to the Government, except the expense of administration. It is interesting to observe that under title I and title II of the National Housing Act from 1941 to August this year more than 1,700,000 commitments for new dwellings have been approved. This legislation will continue the opportunity for people to buy and pay for their homes while they use them. It will continue to help solve the housing shortage in this country. I hope we may be able to secure the approval of this legislation before Congress adjourns.

PERMISSION TO ADDRESS THE HOUSE

Mr. JENNINGS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

[Mr. JENNINGS addressed the House. His remarks appear in the Appendix of today's RECORD.]

REORGANIZATION PLAN NO. 2 OF 1949

Mr. DAWSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of House Resolution 301, disapproving of Reorganization Plan No. 2 of 1949; and pending that motion, Mr. Speaker, I ask unanimous consent that debate on the resolution may continue not to exceed 3 hours; to be equally divided and controlled by the gentleman from Michigan [Mr. HOFFMAN] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of House Resolution 301, with Mr. MADDEN in the chair.

The Clerk read the title of the resolution.

By unanimous consent, the first reading of the resolution was dispensed with.

Mr. DAWSON. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the Committee on Expenditures in the Executive Departments, to which was referred the resolution (H. Res. 301) disapproving of Reorganization Plan No. 2 of 1949, having considered the same, reports unfavorably thereon without amendment and recommends that the resolution do not pass.

The purpose of House Resolution 301 is to express disapproval of Reorganization Plan No. 2 of 1949, and the effect of the adoption of this resolution by the Congress will be to prevent such plan from coming into force and effect on August 19, 1949.

The purpose and the effect of the reorganization plan, in the absence of a disapproval by a House resolution, are set forth in the plan in the following words and figures. I think first we ought to know exactly what is in plan No. 2:

SECTION 1. Bureau of Employment Security: The Bureau of Employment Security of the Federal Security Agency, including the United States Employment Service and the Unemployment Insurance Service, together with the functions thereof, is transferred as an organizational entity to the Department of Labor. The functions of the Federal Security Administrator with respect to employment services, unemployment compensation, and the Bureau of Employment Security, together with his functions under the Federal Unemployment Tax Act (as amended, and as affected by the provisions of Reorganization Plan No. 2 of 1946 (60 Stat. 1095, 26 U. S. C. 1600-11), are transferred to the Secretary of Labor. The functions transferred by the provisions of this section shall be performed by the Secretary of Labor or, subject to his direction and control, by such officers, agencies, and employees of the Department of Labor as he shall designate.

SEC. 2. Veterans' Placement Service Board.—The functions of the Veterans' Placement Service Board under title IV of the Servicemen's Readjustment Act of 1944 (58 Stat. 284, as amended; 38 U. S. C. 695-695f) are transferred to and shall be performed by the Secretary of Labor. The functions of the Chairman of the said Veterans' Placement Service Board are transferred to the Secretary of Labor and shall be performed by the Secretary or, subject to his direction and control, by the Chief of the Veterans' Employment Service. The Veterans' Placement Service Board is abolished.

SEC. 3. Federal Advisory Council: The Federal Advisory Council established pursuant to section 11 (a) of the act of June 6, 1933 (48 Stat. 116, as amended, 29 U. S. C. 49j (a)), is hereby transferred to the Department of Labor and shall in addition to its duties under the aforesaid act, advise the Secretary of Labor and the Director of the the Bureau of Employment Security with respect to the administration and coordination of the functions transferred by the provisions of this reorganization plan.

SEC. 4. Personnel, records, property, and funds: There are transferred to the Depart-

ment of Labor, for use in connection with the functions transferred by the provisions of this reorganization plan, the personnel, property, records, and unexpended balances of appropriations, allocations, and other funds (available or to be made available) of the Bureau of Employment Security, together with so much as the Director of the Bureau of the Budget shall determine of other personnel, property, records, and unexpended balances of appropriations, allocations, and funds (available or to be made available) of the Federal Security Agency which relate to functions transferred by the provisions of this reorganization plan.

When this petition or resolution of rejection came to us we held ample hearings upon the subject. We listened to witnesses. We received telegrams, which have been printed in the RECORD. I sent to every Member of the Congress a copy of our report and a copy of the hearings held by our committee in order that each Member might acquaint himself with just what went on and so that he might know of his own knowledge what was said there. The effect of this plan would be to destroy part of the work of the so-called Hoover Commission. This is the first attack on it. I think every Member of this Congress is proud of the work which was done by the Hoover Commission. For 2 years they sat, a nonpartisan commission, on which there were representatives of this body; one, the very able gentleman from Ohio [Mr. BROWN] and the other, the very able ex-Member of this body, Mr. Manasco.

Every provision set out in plan No. 2 had the unanimous approval of that Commission. There are some recommendations that are not in the plan relative to the Department of Labor, and in most instances those did not have the unanimous consent of the Commission. Objection was raised because there were not contained in plan No. 2 all of the provisions set out by the Hoover Commission relative to the Department of Labor. But you can appreciate that in its efforts to undo what was done, everything recommended by them cannot be done at one time. These functions were not taken from the Department at one fell stroke, and neither can they be placed back at one fell stroke without disrupting the activity of the Government. So the proper time for transferring the functions must be chosen. That the President chose well in this respect in sending down plan No. 2, is borne out by Mr. Hoover himself who said that plan No. 2 is a step in the right direction and carries with it the purposes outlined in the work of the Hoover Commission and that it has his support. So, when we say that this is not the full plan of the Hoover Commission, when we look at the fact that Mr. Hoover is one of the two men who has had experience in the executive department and who can tell probably better than any living man except one, and that is your present President, from actual experience when is the proper time that these functions should be transferred back; then if we are going along with experience and if we are going along with a study authorized by this body we must support the President's plan No. 2 as sent to us.

I think we all appreciate that there is throughout this Nation a widespread

sentiment in favor of the reorganization of the executive departments. I think we can all appreciate how much time has been spent on the floor of the Congress by the Members of Congress in discussing the various bureaus and the overlapping functions and overlapping activities within our executive department, with all its attendant high costs. They even counted the number of bureaus. I heard one of our Members get up and, without even referring to the notes that he always carries in his pocket, state just how many bureaus we have and just how many overlapping agencies we have. The purpose of the reorganization plan is to cut down the number of bureaus.

The purpose of Reorganization Plan No. 2 is to put functions where they belong and put activities where they belong, thereby grouping in the proper department kindred activities and kindred functions.

This is certainly a step in that direction. I think we would all regret very much if this plan No. 2 should be defeated. I think it would be a set-back in the program that this Congress set out at the beginning of this year, to wit—the reorganization of the executive departments.

I take pardonable pride, as chairman of the Committee on Expenditures in the Executive Departments, in the work this committee has done in trying to bring about efficiency and economy in government. It was this committee which at the beginning of the year passed through this House the Reorganization Act of 1949, that was to give the President the power to do this very thing; that was to give the President the power to do the thing which Members of Congress said that Congress would never do if it were left to them. Then, as soon as steps are taken, we find objections from those who seem to have an interest, because I noticed at the hearings that most of the objections came from certain groups and those same groups had gone on record as unanimously approving and endorsing the Hoover Commission report. It was indeed interesting to see how they would wiggle and try to get out of the position in which they found themselves when they found themselves coming in to testify against the very thing that the organizations to which they belonged had wholeheartedly approved, if we can believe what our newspapers say.

So I say to you, I think this resolution 301 should be defeated.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. DAWSON] has expired.

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. (After counting.) Evidently no quorum is present.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 175]

Anderson, Calif.	Bland	Buckley, Ill.
Auchincloss	Bolling	Bulwinkle
Baring	Bolton, Ohio	Burleson
Barrett, Pa.	Boykin	Cavalcante
Pentzen	Breen	Clevenger

Cole, N. Y.	Kirwan	Ramsay
Coudert	Lind	Reed, Ill.
Dague	Lyle	Rich
Davies, N. Y.	McGregor	Rogers, Mass.
Davis, Wis.	Macy	Sadowski
Eaton	Mason	St. George
Fellows	Miller, Nebr.	Secrest
Furcolo	Morrison	Sikes
Gilmer	Morton	Smith, Ohio
Gordon	Nelson	Teague
Granger	Norton	Thomas, N. J.
Green	O'Brien, Mich.	Thomas, Tex.
Gregory	Pfeifer	Vinson
Hébert	Joseph L.	Vursell
Hinshaw	Pfeiffer	Wadsworth
Javits	William L.	Welch, Calif.
Johnson	Plumley	Wigglesworth
Jonas	Potter	Withrow
Kennedy	Poulson	Woodhouse
Kilday	Powell	Zablocki

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MADDEN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration House Resolution 301, and finding itself without a quorum, he had directed the roll to be called, when 359 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield 15 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, I have spent a number of years of my legislative experience dealing with the very problem that is involved in the resolution now before us.

I think it would be well at the outset of the consideration of this resolution to acquaint ourselves with just exactly what the problem is.

Let us go back a little into the history of the situation.

I know full well that the great ex-President, who addressed the Nation last night in such clear tones, headed the Commission that makes the recommendation for the transfer of unemployment compensation and the employment services from the Federal Security Agency to the Department of Labor. I know that there are many Members of this Congress who will say without further study of the situation:

This being a report from the Hoover Commission, it should be accepted without challenge or question.

I am glad to know that the Members of Congress have at long last come to recognize and have some confidence in the word of that great American and his recommendations. I have heard many of the people who will take the floor and speak against this resolution, every time opportunity presented itself, castigate and defame Mr. Hoover. I want my position very clearly understood.

There are over 300 recommendations of the Hoover Commission, of which this is a very, very minor part. As I have studied these recommendations, I am supporting practically all of the recommendations of that Commission.

Why do I oppose this particular recommendation? I dare say there are many Members of Congress who are not familiar with the background and his-

tory of the unemployment-compensation and employment services in this country. You ought to be before you vote on this resolution. You ought to know what is involved before you cast your vote on this resolution. It is a very important step you are going to take, because this Congress, at least three times—Democratic Congresses—expressed itself in no uncertain terms on the very thing that is proposed here.

Last year, in the Eightieth Congress, to be sure, the Congress by an overwhelming vote expressed the historic policy that had been developed in connection with this program since 1935, but it could not have been accomplished without the votes of Democrats.

You will recall that in 1933, when the new Congress came into being, one of the things that it did was to pass the Wagner-Peyser Act. Prior to that time we had had throughout this Nation, in various States, little State-operated employment services. They were not doing a very good job. They were a lot of private employment services. The Congress very properly passed the Wagner-Peyser Act, in an effort to stimulate, if they could, a Nation-wide system of unemployment services. So the Wagner-Peyser Act provided Federal assistance to the States, if the States themselves would establish a system of State employment services. Only 20 of the States, if you please, came under the provisions of the Wagner-Peyser Act from 1933 down to 1935. We had a very desultory experience under the Wagner-Peyser Act during those years. Then what happened? The Congress discussed the enactment of a social-security program. President Roosevelt advocated the adoption of a social-security program, and included in that program under title 3 was a program that provided for the payment of unemployment compensation by the States pursuant to laws to be enacted by the States, and pursuant to an administration to be administered by the State agencies in the same social-security law. If you want to check it, you will find it in section 503, subsection 2, of chapter 9 of title 42.

The Congress, in passing the Social Security Act, provided that the payment of benefits under that act should be accomplished through the medium of the employment offices, and thus brought into the social-security picture the employment service. So the States that set up social-security programs under the provisions of the 1935 act in order to carry on that program were required to set up a complementing system of employment services—the service that would make the job exposure for the social-security program and through which the benefits would be paid. It was because of that bringing together of the employment-service and the unemployment-compensation provisions and administration that the Comptroller General held that it would be possible to take out of the title 3 tax money that was levied to pay the administration of unemployment compensation in the States—to take out of that fund sufficient money to pay the expenses also of the employment services. From that moment on the employment services grew over the United States—went from

a few hundred offices almost in 1 year to over 1,800—and we thus had a great expanded employment service operating in the States as a combined operation for the purpose of carrying out the provisions of title 3 of the Social Security Act.

What happened? The administration at the level of the Wagner-Peyser Act, namely, the United States Employment Service, was in the Labor Department; it was put there by the Wagner-Peyser Act. Who took it away from the Labor Department and when? Understand that in 1935, when you passed the Social Security Act, you made it necessary—absolutely mandatory—that those two services be brought together. The then President recognized that situation and he, in 1939, submitted his Reorganization Plan No. 1 to the Congress of the United States. What did he say? He said in submitting that plan to the United States Congress:

I find it necessary to group in the Federal Security Agency those agencies of Government the major purposes of which are to promote social and economic security.

He then created the Federal Security Agency. He then placed in the Federal Security Agency the administration of the Social Security Act under the Social Security Board. He transferred the employment service operating under the Wagner-Peyser Act to the Federal Security Agency and thus brought these two agencies together in the Federal Security Agency. Anyone deny that? They cannot deny it. It is the fact.

Then what happened? That was in 1939. The rumblings of war were upon us. Do you remember that? Here was the employment service. When I speak of the United States Employment Service, it is merely a group of people set up at the Federal level to offer advice and make recommendations to the State agencies that administered that program. The whole program of the employment offices was carried on under State administration and by State employees. The whole unemployment compensation program was carried on by State services pursuant to State law, but under the over-all direction of the Federal level because the Federal Government was paying the administrative costs of both of those services out of the tax levied pursuant to title III of the Social Security Act on the pay rolls of this country.

Then what happened? You will recall that the President on January 1, 1942, with war upon the country, requested the States to lend to the Federal Government the employment offices and services. Do you remember that? All of the Governors of the United States responded and turned those State operated offices over to the Federal Government.

What did the President do with them? He turned them over to the War Manpower Commission under Mr. McNutt for the time of the life of the War Manpower Commission, Mr. McNutt's organization. He was head of War Manpower and also head of the Federal Security Agency, and he operated the employment services. The unemployment compensation remained where it had been from enact-

ment of the law in 1935 in the Federal Security Agency. Ever since that time this employment office has been buffeted about.

When the War Manpower Commission folded up the employment service was transferred to the Labor Department under executive order which provided that it would remain there until the termination of the war. Therefore, up until last year we had a situation that the unemployment compensation division in the Social Security Administration was in the Federal Security Agency and the employment service at the Federal level was in the Labor Department. But immediately, under that directive and executive order, when Congress passed a joint resolution or the President declared that the war was at an end, under the law as it existed then, this employment service would have to be transferred back to the Federal Security Agency. That was the law that confronted us last year when we tried to do something with this problem.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. KEEFE. Mr. Chairman, we found that that system required on the part of the States a dual system of budgeting and accounting. They had to budget and account to the Federal Security Agency for the administration of unemployment compensation and they had to have a similar system of accountancy with the Labor Department for the employment service. We had two conflicting, overlapping and duplicating organizations handling this program in each of those agencies of Government and we decided to do something about it.

Everybody on both sides admitted without conflict that these two services belonged together for purposes of administration. The question simply was, shall they be with the Federal Security Agency or shall they be in the Labor Department?

The Federal Security Agency is administering the Social Security Administration and the Social Security Act, of which unemployment compensation is an integral part and has been since the enactment of that law. So we concluded in the interest of efficiency and in the interest of economy to put the employment service back where it originally was, in the Federal Security Agency. The President vetoed that appropriation bill, but the Congress promptly passed it over his veto by an overwhelming vote on both sides of the aisle.

You were convinced last year, and, let me tell you when Mr. Ewing and Mr. Goodwin, the head of the Employment Service, came before the subcommittee this year they had to admit that that program was working effectively and economically in the public interest, much to their surprise. You will recall that the gentleman from Rhode Island [Mr. FOGARTY], himself stood upon the floor, and while he opposed that part of the program he admitted that the over-all reorganization that we effected last year had proved by operation that it was working in the public interest.

Now you propose to take the unemployment compensation activities, which is an integral part of the Social Security Act, out, and put it over in the Labor Department and put the Employment Service there. Why? Well, the principal answer is because the Hoover Commission recommended it. That is the principal answer. Now, what is that going to do? Is it going to be in the interest of efficiency? It will not. Will it achieve economy? Certainly not.

We closed 12 regional offices of the Labor Department in its employment service when this amalgamation was made last year. They will all have to be reestablished and the amount that will be involved in this program will be terrific.

Let me tell you something. I have not time to go into all of these things. The Task Force that handled this situation did not recommend it. I have that language from the task force. The program was assigned over to the Brookings Institution. They made a report, and this is what they finally said, and I think they were right about it:

The nature of this issue regarding the proper location of the Federal agency administering the Employment Service and unemployment compensation precludes its settlement on a purely factional basis. A decision must be arrived at on the basis of judgment, and in the last analysis this judgment must be exercised by the duly elected representatives of the people.

So, they refused to make a recommendation and turned the thing into the hands of the Congress.

Now, the very Congress that has repeatedly since 1935, time and again, refused to take this step, is asked, without any showing of efficiency or economy, to transfer these agencies, which will result—and I am saying this because I want to mark you, and it is in the RECORD for future reference—in a program to federalize unemployment compensation and the Unemployment Service and take all control of the States out of those programs. Why do I say that? I have the Economic Outlook here just issued by the CIO, in which that program is outlined with great certainty and definiteness, and is one of the cardinal planks in their platform; the federalization of this program; the abolishment of State control over unemployment compensation; the abolishment of any State control of the Employment Service, and the transfer of all the trust funds to a huge fund administered by a bureau, the head of which will be the Secretary of Labor under Federal auspices.

Now, you can vote for that if you want to. It is up to the Congress. I have studied this thing as diligently and as intelligently as I know how. I could talk for an hour on it, to show you the dangers that are inherent in this program. I could show you what will happen to the merit-rating system that is invoked in every State in this Union that copied the Wisconsin plan, that will be destroyed just as sure as you and I sit here if this change is made.

You mark what I tell you. I want this in the RECORD so that when that change comes you cannot say you were not informed and were not advised. You will

see the replies coming from your States and your governors and the people in your States that will want to know why it was that you took the first step to take all control of these two programs away from the States and lodged it in another great bureaucracy here in Washington.

Mr. DAWSON. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

(Mr. McCORMACK asked and was given permission to revise and extend his remarks.)

Mr. McCORMACK. The gentleman from Wisconsin [Mr. KEEFE] during his remarks said there are many who will oppose this resolution who have in the past castigated and defamed Mr. Hoover. Let me call to the gentleman's attention that the only Members of this body I have ever heard castigate and defame Mr. Hoover in the past were Republican Members of the House, a few, not many, by Republican Members only.

I can remember back about 12 years ago when I defended him on the floor of the House against an attack made by two Republican Members, just the same as I defended Governor Stassen, as an American—I defended both of them as Americans—when Governor Stassen was attacked by two Republican Members the day after he resigned as governor to enter the United States Navy for service during World War II, when he had made a statement in favor of the United States entering after the war into international cooperation with other nations to bring about peace.

I can remember on both occasions that I waited for about 10 seconds, an appreciable period of time, to see, after the personal attacks were made on former President Hoover and former Governor Stassen, if some Republican would rise to their defense. When no Republican rose to their defense, I took the well of the House to defend them as Americans.

I may disagree, as I have and as I did with former President Hoover when he was President, but it was honest disagreement. I can remember no Democrat, and outside of two Republicans, no Republican, who castigated and defamed former President Hoover. I have heard many Members speak of disagreement with him, just the same as the gentleman from Wisconsin today speaks in disagreement with the views of former President Hoover. He has the right to do that. We had a right to express our views in disagreement. When the gentleman says there was castigation and defamation, and that some of those who oppose the resolution today did it in the past, the implication being that they were Democrats, I hurl that back into his face as a misstatement and a misrecollection on his part of historical fact. The only Members I heard castigate him were two Republicans, who were emotionally moved as a result of what he said on one occasion that brought about their extreme displeasure with him.

Their views did not represent the views of the Democratic Members of the House or the remainder of the Republican Members of the House.

Here we have seven reports which have been sent up, and this is the first one of

disapproval. My friend the gentleman from Wisconsin [Mr. KEEFE] leads the fight against it. Of course he has a perfect right to fight against it, but he fails to consider the recommendations of the Hoover Commission. The Hoover Commission consisted of more than former President Hoover alone. There were two Members of this body on it, one who is now a Member and one who is no longer a Member of the House. They were on that Commission, too. Furthermore, he refers to the task force. The task force made no recommendation. They simply presented the facts without any recommendation one way or the other. But in the final analysis who makes recommendations? The task force, or the Commission that is charged with that responsibility. That is the responsibility of the Commission. The Commission assumed that responsibility and has recommended that this plan be put into operation. As a matter of fact, only within the past week or 10 days in a telegram to the gentleman from California [Mr. HOLIFIELD] former President Hoover, among other things, said:

The President's Reorganization Plan No. 2 does not transfer all of the agencies we recommended, but so far as the plan goes, I can endorse it.

The recommendations of the Hoover Commission will be found in the Hoover Commission's Report, and also in the report of the majority of the members of the Committee on Expenditures in the Executive Department in recommending rejection of the resolution.

The gentleman seems to fear a federalized unemployment compensation system. We have heard that fear expressed before. There is nothing new in that. It is an attempt to play upon our fear and to pick up a vote here and a vote there from a few Members whom I personally admire, but who I feel mainly think of yesterday and who have no eyes for the future. It is an attempt to throw fear into the minds of a few Members in the hope of getting a vote here and a vote there.

When this bill for reorganizing the executive branch passed the House it provided for a two-House veto. The House followed what the Congress had done on three previous occasions. The first reorganization bill called for a one-House veto, with a majority of those present voting thereon. We know from experience what a complete failure the first reorganization bill was. We also know that Congress has the duty of reorganizing the executive branch of the Government, but we further know from experience that due to a combination of factors and influences, Congress cannot do the job. We know as a historical fact that Congress has never reorganized the executive branch of the Government in the 160 years of existence of our constitutional form of government. Never once has there been a legislative reorganization of the executive branch of the Government. Therefore we had to resort to the delegation of power to the President with a veto residing in the Congress. We started out first with a plan calling for a one-House veto. That was a failure. Then there was the two-House veto plan in

three consecutive bills. Then we followed that with a bill which passed the House, but which, when it was sent to the other body, was changed to provide for a one-branch veto. When the bill went to conference the gentleman from Illinois, one of the greatest chairmen who has ever presided over any committee of Congress, the gentleman from Illinois [Mr. DAWSON], the gentleman from California [Mr. HOLIFIELD], and I fought to keep the two-body veto in the bill. We kept it in conference for several weeks. The time was drawing near when this session would come to an end and the 60 days would expire. Finally, after one Member had even accused me of politics, when we were fighting for a real bill, we gave in on the one-House vote, however, with the provision that the Senate would have to get 49 votes and in the House 218 votes to bring about a veto.

I wonder now, in the light of the fact that the Senate committee has voted to reject not one but two plans, whose face is red on the charge of politics.

We were told that if we accepted the one-House veto, the plans submitted to this Congress would go through. Let the country watch and see whether the plans will go through. One thing is certain, as far as the majority of the conferees on the part of the House is concerned, we are not on the spot, but some other body is on the spot, because the responsibility for the one-House veto rests elsewhere than in the House of Representatives.

If the plans are rejected, then the proponents of former President Hoover and his recommendations spread throughout the country had better consider supporting a bill next year to amend existing law to bring back the two-House veto, because if any one of those seven plans are vetoed now, there will be a field day in the next Congress when the President sends up anywhere from 15 to 20 more plans.

Strange to say, these various committees throughout the country, organized in Boston, New York, Chicago, and elsewhere, on the idea that \$3,000,000,000 is going to be saved if the Hoover Commission's recommendations go through, are silent today on this plan, and they are strangely silent on the two plans that the Senate committee has recommended be disapproved.

Now, what is the story on this? This plan simply transfers the Bureau of Employment Security from the Federal Security Agency to the Labor Department. It was recommended by the Hoover Commission. The Bureau of Employment Security includes (1) the former division of unemployment compensation, and (2) the former United States Employment Service, which was in the Department of Labor at one time and which properly belongs there. Everyone agrees they should both be together. My friend the gentleman from Wisconsin [Mr. KEEFE] in his speech made that statement. He agrees that both of these bureaus should be together. They should be in one agency. If they are going to be together, they have to be in one agency. He says they should be in the Federal Security Agency. President Truman says they can render better serv-

ice if they are in the Department of Labor. Former President Hoover says the same thing.

I will admit that their views are pieces of evidence, but I think they are pieces of evidence that are worthy of deep and profound consideration. The Hoover Commission says they should both be together, and they should both be in the Department of Labor. The Federal Security Administrator, Mr. Oscar Ewing, approves the transfer.

So we have the situation where President Truman recommends it, the Hoover Commission recommends it, former President Hoover himself, in a telegram to the gentleman from California [Mr. HOLIFIELD] personally, separately, and individually approves the plan. The Administrator of Federal Security approves it.

I recognize that Members can disagree, but I respectfully submit that that is quite powerful evidence, and we should think twice before we decide that our judgment is superior to the collective judgment of all of those men, representative of both political parties.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. KEEFE. The gentleman has indicated that the Federal Security Administrator, Mr. Oscar Ewing, has approved. Would the gentleman be kind enough to cite me the evidence on that? I would like to see if he has, because I have read his letter, and I have it before me, in which he differs. If he has changed his mind, it has been very recently.

Mr. DAWSON. It will be found in the report on page 9.

Mr. McCORMACK. I see a letter from him in the report dated August 3, in which he writes "I am in complete accord with the President's proposal." That is August 3.

Mr. KEEFE. I talked to him this morning, and I am quite surprised that that would appear in the record.

Mr. McCORMACK. I cannot comment on the surprise of my friend from Wisconsin.

The only argument against the transfer is that the Department of Labor is biased in favor of labor. It seems to me that there is no logic in this argument. The Department of Labor was set up by a Republican administration. I will admit it is supposed to and should defend and advance the proper interests of labor in relations to all of our people and to our regional economy. There is nothing wrong in this. It is its duty.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. DAWSON. I yield the gentleman from Massachusetts three additional minutes.

Mr. McCORMACK. Mr. Chairman, the Bureau of Employment Security is very closely related to the Bureau of Labor Statistics as well as other activities and operations of the Department of Labor, and these the last Congress left in the Labor Department. The Labor Department has been practically stripped of its legitimate activities. The Repub-

lican Party that founded it last Congress took away practically all of its jurisdiction and left it for all practical purposes only a ghost department. It seems to me in all logic that in connection with the Bureau of Unemployment Compensation the first step we should be interested in is to try to get people work; the quicker you get people work the less unemployment compensation they will be paid. It seems to me that as we view these two agencies we are justified in emphasizing to the Government, both Federal and State, and to the individual out of work entitled to unemployment compensation, to emphasize the importance of getting that worker employment, not only for his own benefit and the benefit of his family, but by doing that unemployment-compensation payments will cease. It seems to me that the first step is employed, and it seems to me that everybody agreeing they both should be together, the Employment Bureau and Unemployment Compensation, that Unemployment Compensation should go wherever the Employment Bureau is located; and it seems to me, and I respectfully argue, that logic should point to us that employment is connected more with labor than it is with social security or the Federal Security Agency; they are both closely interlocked with one another. In the matter of Federal security, the primary responsibility of that department under the law is to emphasize the social services afforded by laws passed by Congress. When we put employment in with Federal security we are putting the cart before the horse, so to speak. We both agree they should be together. It seems to me they properly belong in the Department of Labor, because emphasis should be laid upon employment. That is important with the amount of unemployment compensation that is paid. The greater the employment, the more quickly a person unemployed gets back to employment, the less compensation is paid. In addition to those reasons, we are simply bringing back to the great Department of Labor some of the services that belong there and making that Department again one that is entitled to dignity and respect.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield 15 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Chairman, the gentleman from Massachusetts has referred to differences of opinion that have existed in the past in this body, and between persons in this body and persons in public life out of this body. Certainly there have been those differences of opinion. There are still differences of opinion. But so long as those differences of opinion are honest, there is no need for anyone to get too excited about them because, after all, it is the clash of opinions that makes for democracy. We are here as the duly elected Representatives of the people charged with a great responsibility in respect to the general welfare of our Nation. So long as we meet that responsibility, then we have discharged our duty in a proper manner.

I had some part in the establishment of the so-called Hoover Commission in the Eightieth Congress and also in the passage of the basic Reorganization Act by this Congress. I hardly think it is necessary for me to refer to my continuing interest and effort to accomplish a long-overdue and much-needed reorganization of the executive branch of the Government.

Mr. Chairman, I speak on this occasion as a member of the Committee on Expenditures in the Executive Departments, as a member who because of my position on that committee has a particular responsibility in this matter.

Of course, the great need for reorganization in the executive branch is recognized by Members on both sides of the aisle. Speaking of the Hoover Commission recommendations, I think that generally we approve of them, but I do not know of anyone, I do not know of a single Member, who has committed himself to every detail or every recommendation that may be made.

Progress has been made in the direction of putting some of these recommendations into effect. I want right here to say, and quite frankly, that I have been a little disappointed that more of the recommendations have not been brought up here. I feel I should also say that on occasion it has seemed to me that some of the pets of certain people of long-standing interest are the ones that are first being proposed.

Mr. Chairman, reference has been made to a departure from the Hoover Commission recommendations in respect to Reorganization Plan No. 2. Let me call to the attention of those of you who urge that argument another circumstance. There is also a Reorganization Plan No. 1. That is the one which is going to set up the new Department of Welfare. We had a bill here a while back that was scheduled for consideration, but it was not considered because it was decided to wait for the proposal to come up from the President under the Reorganization Act.

I was so concerned about the recommendation of the Hoover Commission that all the health functions of the Government should be set up in a United Medical Administration as an independent agency that I took the trouble to get up on the floor and express the hope that when the proposal came up for a new Department of Welfare it would follow the recommendation of the Hoover Commission and provide for a United Medical Administration as an independent agency in line with the Hoover Commission proposals. But did President Truman see fit to follow the recommendation of the Commission in that regard? He did not. Reorganization Plan No. 1 is here and that part of it is in direct contravention, if you please, of the recommendation of the Hoover Commission.

Now, let us not blow hot and cold on this proposition. Let us be consistent, because I dare say that if there was a resolution of disapproval of Reorganization Plan No. 1, the people who now insist that this resolution to set aside plan No. 2 shall be defeated, because they say

to defeat it is not in keeping with the Commission's recommendations, will be saying, "Oh, you must not disapprove Reorganization Plan No. 1, even though in a very important particular it deviates from what the Commission recommended."

It has already been pointed out what Reorganization Plan No. 2 before us today seeks to do, and let me just add again that it is not a new proposal. We considered it in 1935, again in 1939, again in 1947, and again in 1948. Each time the Congress has examined the proposal most exhaustively, and each time turned it down. Now it is presented again. Of course, this time we are told that it constitutes a recommendation of the Hoover Commission which we should put into effect.

Let me just say this: Reorganization Plan No. 2, insofar as the over-all recommendations of the Hoover Commission with respect to the Labor Department are concerned, does not carry out the recommendations of the Hoover Commission. It was not sent up here with an over-all pattern.

The gentleman from Massachusetts seeks to make light of the finding of the task force on this matter. But, whether you say their findings came to be the recommendation of the Commission or not, certainly that distinguished group who carefully studied this whole subject said, "A decision on this question must be arrived at on the basis of judgment, and in the last analysis this judgment must be exercised by the duly elected representatives of the people." Now, that is a conclusion, as I say, of people who made an exhaustive study, and they say it is up to us to make the decision.

We exercised that judgment in 1935, 1939, 1947, and 1948. We made the decision four times and we should reaffirm it today.

This plan raises no new issue, and it does not raise any facts or arguments that were not debated fully and completely on those other occasions. I cannot but believe that this proposal which some have been advocating for so long, and which Congress after Congress, Democrat and Republican, has turned down, is just the kind of an effort to use the prestige of the Hoover Commission to pick out one of the very small parts of the over-all recommendations and try to get it passed, ignoring other recommendations of far greater consequence.

Many recommendations were made by the Hoover Commission about the Department of Labor that are not included in this plan at all. What about the Bureau of Employees' Compensation? The Hoover Commission said that should go to the Labor Department from the Federal Security Agency, yet there is not one word in this Reorganization Plan No. 2 that would do this. What about the Employees' Compensation Appeals Board? Not a word about that either. The Selective Service System? Where do you find that transferred to the Labor Department under this plan?

The Hoover Commission recommended that the power to establish minimum wages for seamen be transferred to the

Labor Department from the Maritime Commission. It also recommended that the power vested in the various contracting agencies go to the Labor Department.

Not one of these various recommendations with respect to the Labor Department are embodied in this plan. I repeat that the plan before us is the same old proposal, and nothing more, which we have rejected on no less than four separate and distinct occasions. And if we just use our good judgment again we will also reject this proposal.

The basic issue, which we have repeatedly resolved, is whether social security is to be administered by a single agency and whether that agency shall be a neutral agency.

In 1935 the administration bill for the establishment of the social-security program would have divided this program, so that unemployment compensation and old-age and survivors insurance portions of the program would have been lodged in the Department of Labor, with the public assistance provision lodged in another agency.

Congress, however, turned down the administration bill, and wrote a Social Security Act of its own. In that act it vested all of the social-security functions in a single independent agency.

When State employment offices were established on a large scale to administer unemployment compensation under the Social Security Act, President Roosevelt himself recognized the soundness of the position that Congress had taken by vesting those functions in a single independent agency. In 1939, under his first reorganization plan, he transferred the United States Employment Service from the Department of Labor—where it had been since its creation by the Wagner-Peyser Act in 1933—to the Federal Security Agency.

We have already heard from the gentleman from Wisconsin [Mr. KEEFE] that under the President's first reorganization plan he transferred the services from the Department of Labor to the Federal Security Agency and consolidated the employment service with the unemployment-compensation functions that were vested in the Federal Security Agency.

The Seventy-sixth Congress promptly approved this reorganization plan, thereby reaffirming the position that had been taken by the Seventy-fourth Congress.

In 1946 the Labor Department strongly urged the President to transfer to it all of the unemployment-compensation functions of the Federal Security Agency. But the President did not accede to these urgings. He did, however, in 1947 transmit to the Congress a reorganization plan that would have made the Employment Service a permanent part of the Labor Department. Congress again reaffirmed its previous stand that social security should be administered by a single neutral agency, and defeated the plan in both the House and the Senate.

Thereupon the President, despite this defeat, indicated his intention of submitting a plan transferring unemployment compensation to the Labor Department, and he did so early in 1948. Again

Congress reaffirmed its previous position and the plan was defeated. In defeating this plan the Eightieth Congress was merely reaffirming the decisions of prior Congresses in 1935, in 1939, and in 1946.

I have said the issue is the same, and it is. The principle involved is identical, that of a neutral governmental agency versus a special-interest agency in administering laws which affect not alone one segment of our economy but employers, employees, and the general public alike. I think in many ways it is analogous to the situation that existed in the Congress when we set up the Mediation Service as an independent agency of the Government and certainly, as it has operated, we have demonstrated by experience the wisdom of what we did.

I should like to briefly call to your attention only three of the many compelling reasons why unemployment compensation and the employment offices which make unemployment compensation successful should be under a neutral agency, rather than under a special-interest agency. First, the whole thrust and drive of the Labor Department has been and will continue to be for a federalized unemployment compensation and employment offices program with the entire elimination of experience ratings and a scrapping of many of the basic disqualifications for unemployment compensation which State legislatures have determined to be necessary for an effective system.

The second reason for keeping unemployment compensation administration under a neutral agency is found in the degree of Federal control which can be exercised over State administration through Federal purse strings. All administrative costs for State unemployment compensation systems and employment services are met from Federal grants, and these grants are directed by law to be in "such amounts as the Board determines to be necessary for the proper and efficient administration of" the State law. The Federal agency can even withhold all grants to a State where the Board determines that funds previously granted have been expended "for purposes other than, or in amounts in excess of, those found necessary by the Board for the proper administration of such State law."

A third reason for keeping unemployment compensation administration in a neutral agency is found in the power over experience rating which would otherwise be given to its avowed opponents. There is no question about that. Some form of experience rating of employers exists in the unemployment compensation law of every State. I ask you, Do you want to do away with that?

I said when I started that the questions presented by this reorganization plan are not new. They have been presented not once, but many times, before, and Congress has on every previous occasion taken exactly the same position with respect to them. No problem of efficient administration or of economy in Government is involved. What we have before us is a policy question which we thought had been settled and settled finally some time ago.

But here it is again. So I say, under the circumstances, let us have confidence in our prior judgments and defeat this reorganization plan.

Mr. BURNSIDE. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. BURNSIDE. There will be no functional change made here, will there? It will be taken in a body and moved over from one agency to another.

Mr. HALLECK. That is as I understand it. But I have given what I think are compelling reasons why that shift should not be made. What the gentleman has said indicates conclusively that insofar as the recommendations of the Hoover Commission are calculated and believed generally by the public to be in the interest of economy in government, actually this will not accomplish one penny of economy.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. DAWSON. Mr. Chairman, I yield 5 minutes to the gentleman from Rhode Island, [Mr. FOGARTY.]

Mr. FOGARTY. Mr. Chairman, in the last hour that I have listened to the debate and to the proponents of this resolution I think they have presented the weakest arguments possible that I have ever heard given on the floor of the House in the the 9 years that I have been a Member of the House of Representatives.

Back in 1913 the Department of Labor was established in this country by one of your great Republican Presidents. In 1918 the employment services were established. They were put in the Department of Labor. In 1933 along came the Wagner-Peyser Act establishing them in the Department of Labor. In 1939 it is true that a reorganization plan was sent to the Congress and adopted by which the employment services were put into the Federal Security Administration. But I think we all realized that when reorganization plans are sent to the Congress they are sent on the recommendation of some cabinet member or some committee that has been set up for that specific purpose. I am convinced to this day that recommendation was not a good one and that they should never have been transferred to the Federal Security Administration. I have always felt they belonged together. They work together and for efficient economic administration they must be together. I have always felt that they would work together better in the Department of Labor than they would in the Federal Security Administration.

The gentleman who just preceded me, the gentleman from Indiana, [Mr. HALLECK], made the statement a few moments ago that the Eightieth Congress a year ago, in turning down the reorganization plan sent to the Congress by the President, was just reiterating what previous Congresses had done. But that was not the reason given on the floor of the House by the then chairman of the legislative committee, the gentleman from Michigan [Mr. HOFFMAN]. The only reasons given at that time a year ago were that we had a commission appointed, and we were spending and appropriating \$750,000 for the commission to bring back

recommendations for the reorganization of our Government.

At that time the gentleman from Michigan [Mr. HOFFMAN] said:

It seems a little absurd to suggest at this time that we should have piecemeal reorganization plans for the executive department. It seems no more than the use of common sense to suggest that we wait and get the results of this expenditure of what may be from \$750,000 to \$1,750,000 by a nonpartisan, fully qualified commission, made up of men who have had experience along the lines of reorganization.

I go along with the statement that was made last February on this floor by the chairman of the committee at that particular time, because I believed then, as I believe now, that that Commission was headed by a very able man; that all of the members of that Commission were able men, and I am willing now to take the recommendations that they have made, and take the Unemployment Compensation and the Employment Services from the Federal Security Administration and put them into the Department of Labor where they justly belong, in my opinion.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. HOFFMAN of Michigan. Did you not say that was the only reason given at that time?

Mr. FOGARTY. That was the principal reason given by all members of your committee that handled the bill on this floor.

Mr. HOFFMAN of Michigan. If you will read the report you will see that you are in error.

Mr. FOGARTY. I read the report, but I am quoting what you had to say in the RECORD a year ago. I also quoted at that time from the gentleman from Minnesota [Mr. Judd] and Mr. Snyder, and I quoted what several Senators had to say on this day when they turned down this proposal at that time, and the principal reason was that the Hoover Commission had been appointed and would report back to the Congress after the 1st of January, and then we could intelligently decide what to do.

The CHAIRMAN. The time of the gentleman from Rhode Island [Mr. FOGARTY] has expired.

Mr. DAWSON. Mr. Chairman, I yield the gentleman four additional minutes.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. SCRIVNER. As chairman of the Subcommittee on Appropriations for Labor and Federal Security, could you tell the committee at this time where there can be any saving to the taxpayers by the adoption of this resolution?

Mr. FOGARTY. The only way I can see where there will be any savings for the taxpayers of this country in the adoption of this resolution is that when these services are transferred to the Department of Labor it will be up to you and me and every member of our Subcommittee on Appropriations next year to go into their appropriations and decide then whether there should be further savings over and above what has already been made. I have never made

the statement that there would not be any economy in combining these two agencies. We have always been in agreement on that. The only thing that we are not in agreement on was, when our committee a year ago on an appropriation bill took away the responsibility of the legislative committees of this House, and by appropriation transferred the employment services into the Federal Security Administration. I opposed it on the floor a year ago for those reasons, the same as were given by the legislative committees of both the House and the Senate for not acting on the proposal at that time, because we felt at that time that we had able men on this Commission who would report back to this Congress, and I think now we are in a position to accept their recommendations.

Mr. MCCORMACK. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. MCCORMACK. When people are unemployed and they go back to work quicker, that means tremendous savings, does it not?

Mr. FOGARTY. Certainly.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. HOLIFIELD. The President in his transmittal letter said:

The primary benefits from these reorganizations will take the form of economies in administration and services. It is probable that a significant reduction in expenditure will result from the taking effect of the plan as compared with the current estimate and work-load assumptions contained in the 1950 budget.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield further?

Mr. FOGARTY. I yield.

Mr. SCRIVNER. I just wanted to make the observation that we said we would have to look these items over carefully, and that is just exactly what the subcommittee in the 1950 appropriation did, whether this is under Federal Security Administration or under the Department of Labor. That is our job, to look over every item of expense and bring about any saving that we can.

Mr. FOGARTY. But the only thing we are trying to do at this time is to put these agencies into the department where they have always belonged, and to undo something that was done by this Appropriation Committee last year. I think it was a wrong move at that time. There is no place for it in the Federal Security Administration, because, as our distinguished majority leader has said, the most important phase of this entire program is in the employment service.

We have a trust fund now established in the Unemployment Compensation Board and we do not want to destroy it. The only way we are going to protect the solvency of that fund and the taxes we pay into that fund is to have a good unemployment service to find jobs for men who are unemployed just as quickly as possible. By that way we are saving the taxpayers of this country thousands and thousands of dollars. But the way it has been operating in the past because the Republican leadership in the Eightieth Congress refused to give the necessary amount of money to these agencies a

year ago, we cut the employment services by about 30 percent, we cut the Unemployment Compensation Board by 10 percent, we cut the estimates last year by \$22,000,000-plus. What happened? We find they are running in the hole as they told us they would be a year ago when they appeared before the committee. Our program at that time was one of false economy, we found to our dismay, and to our disadvantage now, for we have to appropriate more money to get them out of the hole we put them in a year ago by the Republican leadership of the Eightieth Congress.

The CHAIRMAN. The time of the gentleman from Rhode Island has again expired.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. BROWN].

(Mr. BROWN of Ohio asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Chairman, I have listened with a great deal of interest to the debate thus far on House Resolution 301, by the gentleman from Michigan [Mr. HOFFMAN], which, if adopted, would reject the President's Reorganization Plan No. 2. I wish, if I may, to talk rather plainly and rather frankly about this whole question. As I have had the honor and the responsibility of serving as a member of the Hoover Commission I think I know just a little something about the problems which that Commission faced.

The Commission was created as an arm of the Congress. It was given the task and the responsibility of making a survey or study of the whole organization of the executive branch of the Government, and to bring in recommendations as to how to obtain greater economy and greater efficiency—and I want to accent efficiency as well as economy—in the conduct of the public business. In order to carry out the great responsibility which had been assigned to it the Commission determined it would select some 25 different task forces to make special studies and surveys of the various departments, activities, and functions of the Federal Government. We were able to draft into the service of the Nation, as members of these task forces, some 350 outstanding citizens, practically all of whom served without compensation, and many of whom accepted no expense allowance during the time they served. We also had the Brookings Institution to make studies of certain Government problems.

The Commission brought in some 318 different recommendations and findings. I have often taken the position on the floor of the House, and publicly many, many times, that there is nothing sacrosanct or sacred about the recommendations of the Commission. They must all stand or fall upon their own merit.

The Commission simply brought forth the recommendations its collective good judgment and wisdom, after 2 years of hard work, indicated should be given to the Congress of the United States. We had to take the statements and the findings of the various task forces, weigh their value and then try to fit them together.

The President of the United States, who is not of my political party, has given assurances to the Commission, to the Congress, and to the country that he expects to put into effect, in substance, the recommendations of the Hoover Commission. I must accept his word for that, and I take him at his word. I hope and believe he is acting in good faith, and I am certainly not prepared to challenge his good faith at this time.

He has sent to Congress certain reorganization plans. They are not entirely as I would like to have had them sent here. Mr. Hoover, Chairman of the Commission, and I talked over these Presidential reorganization plans rather fully and frankly after they were submitted. We agreed that if we could rewrite them for the President there were a number of things we would have changed. But we did believe the President's reorganization plans were steps in the right direction. I wish they had gone further.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from California.

Mr. HOLIFIELD. I want to compliment the gentleman on his work on this Commission and I want to make this comment: In all fairness these plans cannot be complete. They must be set up step by step.

Mr. BROWN of Ohio. I thank the gentleman. I was going to mention, next, exactly that matter.

Mr. Hoover and I realized the President could not send in all of his reorganization plans at once. In fact, I believe this particular Reorganization Plan No. 2 is here rather as a side issue, as it were, and that it does not represent the President's complete reorganization plan for the Department of Labor.

To explain what I mean I must, for a moment, discuss two reorganization plans, because the gentleman from Indiana discussed both of them, Reorganization Plan No. 1 and Reorganization Plan No. 2.

First, as to Reorganization Plan No. 2. The Brookings Institution, which served as our task force, made no recommendation whatsoever as to what should be done with this particular problem with which we are now involved, and it is a great problem, as to whether Unemployment Compensation should be under and a part of the social-security set-up in the FSA—and everyone agrees the two must be put together—Unemployment Compensation and the Employment Service—or whether both should be in the Department of Labor. The Brookings Institution made no recommendation except to say that issue should be settled by Congress.

But it was the Commission's responsibility to make a recommendation to the Congress. The Commission realized and appreciated all of the time, and its members have consistently taken the position, that all it could do was to make recommendations, and that the final responsibility and the final judgment, rested with the Congress. The authority rests with Congress now. It can decide today what to do about this, or about anything else.

As I said a moment ago, this Reorganization Plan No. 2 arrived here by the side door. It is only one of the many reforms our Commission suggested. We submitted a number of recommendations as to the Department of Labor which go far beyond this particular plan, Reorganization Plan No. 2. We recommended that the Department of Labor be reconstructed into an effective department. I realize that perhaps because of personalities in recent years there has not been too much confidence in the Department of Labor and in the individuals who occupied the position of Secretary of Labor. Perhaps as a result of our feelings we have weakened that department a great deal. But, after all, we should not legislate on the basis of personalities. As I said earlier, I believe this particular reorganization plan came to us by a side door, because of Reorganization Plan No. 1 dealing with the Federal Security Agency and its transfer to the Department of Welfare, which the Commission had also recommended.

The Commission had also recommended that certain activities be taken away, as the gentleman from Indiana well said a moment ago, from the Federal Security Agency when it was transferred to the Department of Welfare, and the President has proposed that a portion of these activities be transferred to the Department of Labor, which was already an established unit of Government. We had also recommended that the public-health activities of the Federal Security Agency be transferred over to a new United States Medical Administration, which has not yet been created. Therefore, the President could not transfer the Public Health Service to the United States Medical Administration if he desired, because it requires an act of Congress to establish or create it, as we have set forth in our recommendations. What else could the President do with the Department of Health? Leave it up in the air in neither FSA or Welfare? However, he could transfer some FSA activities over to the Department of Labor, as recommended by the Hoover Commission and then come in later on with a complete reorganization plan for the Department of Labor.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Indiana.

Mr. HALLECK. We are, of course, talking about reorganization Plan No. 2, and my reference to reorganization Plan No. 1 was simply to point out the fact that there were divergencies.

Mr. BROWN of Ohio. I appreciate that.

Mr. HALLECK. But does the gentleman have any assurance from the President that he proposes, if this Reorganization Plan No. 1 goes through, to subsequently bring about the creation of an independent agency known as the United States Medical Administration, as recommended by the Commission?

Mr. BROWN of Ohio. I only have the assurance of the President that he expects to carry forward these various recommendations in substance. He did not make the statement that he would

carry them forward in every detail. However, I expect, and sincerely hope the President will cooperate in the creation of the new United States Medical Administration as recommended by the Commission.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. DAWSON. Mr. Chairman, I yield the gentleman ten additional minutes.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. When the reorganization bill passed, the President was confronted with the problem of immediately submitting plans in order to get the benefit of 60 days. No one knew how long Congress was going to continue; we all know that. So, these seven plans were sent up, and we all know that many more are going to be sent up next year, and there must be legislation.

Mr. BROWN of Ohio. May I continue, please?

I want to discuss this problem from a common-sense viewpoint. A great deal has been said—and I listened with much interest to both the distinguished gentleman from Wisconsin [Mr. KEEFE] and the gentleman from Indiana [Mr. HALLECK] about what we have done in connection with this problem. I think the most important thing the Congress has done was to return to the States the control of the Employment Services. However, that is not involved in this matter before us now. The question we must pass upon only involves what we are going to do with the unemployment compensation activities of the Federal Government. Are we going to leave that responsibility with FSA or transfer it to the Labor Department?

I realize that there have been a great many telegrams and letters sent to Members of Congress by businessmen from all over the country against reorganization Plan No. 2. They seem to have the idea, out in the country, that we are going back to the old system under which the States would lose all control over the employment services. That is not true at all.

The only question involved here now is whether the present unemployment compensation functions of the Government which are now under the Federal Security Agency, and under Oscar Ewing, are to remain there or are to be transferred to the Department of Labor under Secretary Tobin. That, my colleagues, is the only issue. Someone must, of course, have stirred up the folks back home, and I am talking very frankly, to send these messages to us. I have the highest regard and respect for all of them, but I was just a little bit surprised by their actions. I wish the people from my own State had discussed the situation with me before taking action. Perhaps I could have allayed their fears.

The question has been raised here as to whether we are going to put unemployment compensation into a department that may possibly be unfair—the

Department of Labor—or whether we are going to keep it in some neutral department, so I am going to talk for just a minute or two to my Republican friends in the House, and I hope you Members on the right side of the aisle will not listen in.

Just when did Oscar Ewing become neutral? That is silly. The whole question involved here, if you want to be very frank and talk a little politics, and I certainly do not want to consider this whole problem as a political question although seemingly some do I am sorry to say—is whether we are going to keep these unemployment-compensation activities in the hands of New Dealer Oscar Ewing in the Federal Security Agency, or under him in the Department of Welfare if it is created, or transfer them over under New Dealer Maurice Tobin, Secretary of Labor. I do not think it makes any real difference. But if you will just reflect for a moment I believe you will agree that both of them, or either of them, will do exactly what the President of the United States, Mr. Harry S. Truman, wants done. If I were President and they were in my Cabinet, they would do what I wanted them to do or else get out, and I suspect the President now in the White House would do the same.

But I want to go a little further. While perhaps the words have not been spoken, I seem to sense that some here have a question in their minds as to whether President Truman is going through with a thorough reorganization of the Federal Government, and whether he is actually going to do the things recommended by the Hoover Commission, I do not know. But I do know that he told the Commission that he was going to try to carry out its recommendations in substance. He did not pledge himself to do so in every detail, any more than the Congress has: I do know that he has sent messages to Congress, and that he has made many public statements, endorsing the work of the Commission. I do know that there is a great deal of pressure from back home, not only on the Congress but also on the President of the United States, to do something about getting a little efficiency and economy into the conduct of our public business. I do know that the only two living persons who ever served in the White House as President are both for this program. I do know that this Reorganization Plan No. 2 was one of the recommendations of the Hoover Commission. I do know that about the only thing we can safely do, as far as this matter is concerned, is take the President at his word.

If he does not keep his word, if he is not a man who keeps his promises, if he does not act in good faith, then I am going to tear the living hide off him in the next campaign. But first of all I am going to give him the chance and opportunity to make good on his promises. He is entitled to that. Then, if he does not do the right thing, I will criticize him from one end of this land to the other.

I want to say to any of you who may not think the President is sincere, or who may not believe that he is going

through with most of the Commission's reorganization plans, that if you want to give him a beautiful opportunity to get out from under the responsibility of keeping his word, acting in good faith, and doing the things the American people want him to do in connection with the Hoover Commission report, then just vote for this resolution, Harry Truman is not dumb politically, and if you vote for this resolution, if you adopt this resolution and reject this reorganization plan, then the President, if he is not sincere—and I do not question his sincerity—can immediately throw up his hands and say to the country, "Well, I tried to reorganize the Government and get a little economy and efficiency into the conduct of public business, but that terrible Congress up on Capitol Hill and the vicious business interests of the country would not let me. There is no use to try further."

Then it is the Congress and you who will take the heat, and not the President of the United States. In my opinion it is just foolish, asinine, and silly to refuse to give him at least the opportunity to carry out the Hoover Commission recommendations and to go along with them in substance as he has said he would do. If he fails to do so, then he is the one who will be responsible; but if we refuse to give him that opportunity he will place the responsibility squarely on us, and on some of our business friends back home who, I am afraid, have not been quite as wise as they have been active. I am growing a little tired of hearing a lot of talk and receiving a lot of letters saying, "We want the Congress to do something about this terrible waste and extravagance. We want some economy in Government." Then, when we try to do something about it the very same folks too often come right back and say, "Yes, let us have economy, but not in the activity we are interested in. Let us get it somewhere else, but do not interfere with what we want."

We are squarely up against the issue: Do we want to take this first step to reorganize the Government? It is not the whole way, by any means. It is indeed just a step. It goes just a part of the way. Maybe the President will go the rest of the way. Maybe he will not. I do not know. I am not responsible for him. But do we want to take this one step, along with him, and say, "We will go this far with you, Mr. President, and see what you will do about the rest of it. We will give you an opportunity to reorganize the Government, Mr. President. The responsibility is yours. We have given you the machinery to do the job and we have gone along with you thus far"? Or are you going to say right at the beginning, "No, Mr. President, we are going to turn down your Reorganization Plan No. 2, and if you do not want to do anything else about reorganization, you have a perfect excuse for not doing it"? I say to you that is the question on which we all must vote.

You can vote as you please. I have said right from the very beginning there is nothing sacred or sacrosanct about the Commission's recommendations. Maybe we were all wrong, but we only

did the best we knew how when we brought in the Hoover Commission report. This plan before us is not all of it. The President has not done everything I want him to do. Maybe he will never do any of the things I want him to do. But if anything that he suggests is worth while, we should vote for, and if it is not worth while, we should vote against it.

Then we should all go home and tell our people what we have done, because I am sure we will find them to be very, very interested in what we have done.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. MILLER of Nebraska. As I understand the resolution, it is a resolution of disapproval.

Mr. BROWN of Ohio. That is right. If the House adopts this resolution, then it will disapprove Reorganization Plan No. 2.

Mr. MILLER of Nebraska. Then the gentleman means that the House should vote against the resolution.

Mr. BROWN of Ohio. I certainly think we should vote against the resolution and uphold the reorganization plan. That is the theme of my argument. Remember, if this resolution is adopted and this reorganization plan is rejected, the only difference in the world will be that Oscar Ewing will continue to head up this function and activity instead of Secretary of Labor Maurice Tobin. There will be no other difference so far as the operation of the law, or in the law itself, is concerned. There will be no difference in the functions involved.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. HALLECK. Of course, that would indicate then that there is no actual economy in governmental expenditure to be accomplished by the adoption of this reorganization plan.

Mr. BROWN of Ohio. No; I made the statement, and I am sorry if I did not make it sufficiently clear, that I believe few economies and efficiencies will be effected. Certainly, however, if we put into effect all of our reorganization plans for the Department of Labor, there may be some economy as well as a great deal more efficiency expected.

Mr. HALLECK. I am inclined to believe that that statement is correct, but again I insist that the adoption of the Reorganization Plan No. 2 will not bring economy and it is not claimed by the Hoover Commission that there will be any economy as a result of it.

Mr. BROWN of Ohio. I do not claim that in, and of, and by itself, it will bring about any substantial economy. It might bring about some. You will get that anyhow, I will admit to the gentleman. But I do believe that by putting this function into the Department of Labor we will bring about greater efficiency and if we go ahead with the Department of Labor and reorganize it, as the Commission has suggested, we will not only get greater efficiency, but should get some economy. But great economy is not to be found there, I admit.

Mr. HALLECK. If the gentleman will yield further, in order that I might clarify what may have been some misapprehension about what I said in my statement in opposition to the plan—

Mr. BROWN of Ohio. May I interrupt the gentleman to say, for the record, that the gentleman has been very, very helpful to the work of the Commission and I, in no way, want to reflect upon his integrity or his interest in the great assignment we have before us.

Mr. HALLECK. I appreciate that. Let me just say that as far as my position on this plan is concerned, it has nothing to do with the personalities that would be immediately involved, insofar as agencies are concerned, as between Mr. Tobin and Mr. Ewing. My reference to a neutral agency had connection only with what I think is a fact obvious to all, that the Department of Labor, under the very statute which created it, is charged with doing certain things. It is charged with certain affirmative, aggressive responsibilities. That certainly is not true of the Federal Security Agency. My reference to neutrality is not that I was undertaking to choose between Mr. Tobin and Mr. Ewing.

Mr. BROWN of Ohio. I am sure the gentleman would not take either one of them if he had his choice, but let me reply to him by saying this: Of course I think the gentleman agrees unemployment compensation and the employment services belong together. The real question is whether they should be together in the Department of Labor or in the so-called FSA set-up. I am just a little fearful that if we have the employment activities outside of the Department of Labor, we may not get as much interest in finding jobs for people as we otherwise would have. After all, I am not interested in paying unemployment compensation. I am interested in not paying unemployment compensation. I am interested in getting employment for those who need it, at the State level, of course, so that we do not have any more unemployed on the compensation pay roll than possible.

Mr. HALLECK. Mr. Chairman, will the gentleman yield further?

Mr. BROWN of Ohio. I yield.

Mr. HALLECK. Certainly the operation of the Employment Service, avoiding unemployment and the necessity for paying out money, is the desirable thing. It happens to be my contention that the other agency will be the one best calculated to bring that about.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. DAWSON. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. HALLECK. I appreciate that. The gentleman has been very fair.

The gentleman has referred to the operation of the service at the State level. He and I were joined by many others when we were putting on quite a struggle to bring about a return of this service to the States. I am dedicated to that.

Again I want to say that while the adoption of this plan, in and of itself, would not mechanically defeat that State

operation, I am as convinced as I can be convinced of anything, from what I know, it is the announced purpose of the Department and those who stand with it that the ultimate drive is to deprive the States of their authority in that regard.

Mr. BROWN of Ohio. I fear there are a great many over-all objectives of this administration that the gentleman and I do not appreciate and do not endorse, but do not forget, when anyone talks to you about this reorganization plan, that it does not have a thing in the world to do with taking away from the States the authority we returned to them a year or so ago in connection with the operation of our employment services. That right still belongs to the States. It was given by congressional action, and the only question before us is as to who shall control these present Federal functions.

Mr. HALLECK. Is it not true that when we were in that struggle to return these functions and service to the States, the Department of Labor was against us?

Mr. BROWN of Ohio. That is right, and so was everybody else in the administration. I do not know of anyone from administration sources who came up here and endorsed that idea. Of course, that is the reason why we voted the way we did.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. Brown] has again expired.

Mr. DAWSON. Mr. Chairman, I yield such time as he may desire to the gentleman from Oklahoma [Mr. Wilson].

Mr. WILSON of Oklahoma. Mr. Chairman, when Congress had received the last of the 18 reports of the Commission on Organization of the Executive Branch of the Government, I publicly stated that if a substantial part of these recommendations could be effectuated very sizable economies in the operation of our Government could be expected. I further stated that this would be accomplished with greater efficiency of operation. Today I still adhere to the principles contained in that statement.

It is quite fitting and proper that each recommendation made by the Commission be closely scrutinized and studied and that each reorganization plan presented to Congress should stand or fall on its own merits having due consideration for the fact that it is part of an over-all plan of reorganization. On June 20, 1949, the President of the United States transmitted to Congress, in conformity with his authority under Public Law 109 of this session of Congress, Reorganization Plan No. 2. This plan was submitted as an attempt in good faith to carry out the valuable recommendations of the Commission on Organization of the Executive Branch of the Government. The issue before us today is whether or not this reorganization plan shall be permitted to stand or will it be rejected by vote of this House. The issue will be decided by your vote on House Resolution 301 which would disapprove Reorganization Plan No. 2.

What does this reorganization plan propose to do? Briefly it transfers the Bureau of Employment Security of the

Federal Security Agency, including the United States Employment Service, to the Department of Labor. Further the functions of Veterans' Placement Service Board under title IV of the Servicemen's Readjustment Act of 1944 would be transferred to the Secretary of Labor and the Board abolished. The Federal Advisory Agency created by the act establishing the United States Employment Service would likewise be transferred to the Department of Labor.

If you or I were to organize a large private enterprise requiring many functional offices we most certainly would attempt to group functions in departments where interrelated working would produce the most economy of effort, time, and money, and which would produce the most efficient operation and the most effective results. We could not afford to disperse our offices and divide the functions performed so that one type of function might be handled by two or more executives none of whom were responsible to another and each with entirely different primary interests. The same intelligent principles of organization that we would employ in a private enterprise could and should obtain in governmental organization.

The current adjustments in business and business activity involving greater unemployment made it most imperative that the functions of unemployment compensation and insurance, employment services and veterans' placement be grouped where they can most efficiently operate and where each can have access to the information, studies, and statistics of the other and of other related agencies in the Department of Labor. Close work between these agencies and bureaus is a necessity and should be an actuality. To deny this is to perpetuate a cumbersome and efficient procedure condemned by the able authors of the Commission reports.

Of recent years there has been a concerted effort to emasculate the Labor Department of its functions and importance. As was clearly indicated and recommended in the Commission reports this process should be reversed. The functions sought to be transferred to the Labor Department by Reorganization Plan No. 2 are more nearly related to the activities of that Department than any other. Reorganization Plan No. 2 has the favor of the Chairman of the Commission and is backed up by the testimony of Mr. Rowe, member of that Commission. The employment services now in the Federal Security Agency are major labor functions and properly belong in the Labor Department. In this there is total agreement from the present Federal Security Administrator who would lose these functions under this reorganization plan.

The scope, completeness, and frankness of the Commission reports could not have been accomplished on a partisan basis. These reports have become a challenge to Congress and to the American people to put their governmental house in order. Public response has been spontaneous and universal. Will the House of Representatives now vote to repudiate the Reorganization

Plan of the President which is in substantial conformity with the Commission recommendations and which measures up to the tests of time, experience, and reason? Will the House of Representatives scuttle a reorganization plan of great merit and set the stage for repeat performances on other valuable reorganization plans? Or, will we measure up to the high challenge before us and give Reorganization Plan No. 2 a resounding vote of approval by voting against House Resolution 301? There is no doubt in my mind. I submit that based on reason, logic, and popular acclaim partisan bias should be forgotten and petty differences ignored and this House should leave no doubt in the mind of the American public as to its sincerity of purpose with regard to reorganization matters. We should vote to sustain Reorganization Plan No. 2.

(Mr. WILSON of Oklahoma asked and was given permission to revise and extend his remarks.)

Mr. DAWSON. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Chairman, I think it is important to reemphasize what the gentleman from Ohio has explained: We are in a sort of double negative position here. House Resolution 301 calls for us to reject the President's Reorganization Plan No. 2; it is a negative resolution, and in order to sustain the President's Reorganization Plan No. 2 and effectuate this change those of us who agree with the gentleman from Ohio [Mr. BROWN], the gentleman from Illinois [Mr. DAWSON], the gentleman from California [Mr. HOLIFIELD], and the majority members of this committee must vote "No" when we have the opportunity.

There has been a lot of talk implying that the only purpose of reorganizing the Federal Government is to save money. I submit to you that there are two basic purposes in reorganization of the Federal Government: One of them is economy; the other is to create more efficient service in those departments of the executive branch which render service to the people. Just because the President of the United States did not specify that this reorganization plan would save X number of dollars is no reason to attack this reorganization. It is impossible, of course, today to say that it will save in any amount so many dollars and cents, but the functions of the Bureau of Employment Security are so closely allied to those existing functions within the Department of Labor that we hope that through administrative efficiencies which can be accomplished money will be saved in the years to come. But there is another major saving which we hope can be accomplished; that is, the saving to the public and the taxpayer by cutting down on unemployment insurance taxation.

This plan places the emphasis where I think it should be placed: It places the emphasis in a positive service of the Bureau of Employment Security, the positive service to the people, of getting unemployed people quickly back to work. That function can be most readily served by placing this Bureau in the same de-

partment as the Bureau of Labor Statistics where the facts from all over the country are brought into the central offices, the factual information as to where there are shortages, as to where there are surpluses in the labor market. These are the kind of economies that can be made. I am rather surprised that so far those gentlemen who have opposed this transfer under the present reorganization plan have failed to emphasize the one point that the three witnesses before our committee put greatest emphasis on in testifying against Reorganization Plan No. 2. The three witnesses who testified before our committee against this reorganization plan were two representatives of big business and our very able colleague from Michigan [Mr. HOFFMAN]. During this testimony the major argument was that the bias on the part of the Department of Labor would work against the interest of management in carrying out the unemployment insurance feature of this Bureau.

I am very glad that the gentleman from Ohio [Mr. BROWN] has pointed out that the opposition to this plan seems to have suddenly blossomed forth from a lot of people who really did not know what they were opposing. He referred to a lot of businessmen back in his State. I can say the same thing for my district.

I was campaigning in front of the people not so long ago and I was asked very often in forums how I stood on the Hoover Commission reorganization plan. Not knowing I was quoting the illustrious leader of my party, President Truman, I said that in substance I was in entire accord with the Hoover Commission. I met with many business groups during that campaign and I had the opportunity of asking them if they had any specific objections to it. Remember this was in late April and May before this resolution and before this plan was submitted to the Congress. I asked those businessmen if they had any specific objection to the Hoover Commission report. There was not a one. But then the professionals of some of these business organizations got to work. They started sending out telegrams to their membership telling them that they are going to be discriminated against if the Department of Labor has charge of this program. They do not understand why. They do not live down here in Washington. They do not know that the Secretary of Labor must carry out his obligation in the public service under any statute he is administering. So they get a telegram from their executive secretary or executive director and they start sending in wires to us without really realizing what they are doing.

Mr. TAURIELLO. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from New York.

Mr. TAURIELLO. Is it not a fact that the telegrams the gentleman has received opposing this reorganization plan have come from the same source that are for the Hoover Commission; that is, the chambers of commerce of the various cities and States of the country, and they now are the first ones to send us wires

and telegrams asking us to oppose the first step in this reorganization plan?

Mr. ROOSEVELT. That is entirely correct.

There is one other thing I would like to point out in connection with this bias problem. I have here a speech which I shall ask unanimous consent to add to my remarks in which I point out to the Members the literally thousands upon thousands of businessmen all over America who turn to the Department of Labor every day in the year for cooperation with the activities of the Department and for information. Never do these thousands upon thousands of businessmen question the integrity of the Department of Labor. They would not be doing it now if some of these executive directors who are looking for something to do to keep their jobs had not sent out a lot of scurrilous telegrams to them.

I just want to read a couple of little quotations from this and give you some figures. These are some of the figures of the groups that are cooperating with the Bureau of Labor Statistics. I want you to listen to this very carefully because before our committee a representative of the Manufacturers Association of the State of Wisconsin, after considerable questioning by one of our colleagues, the gentleman from Missouri [Mr. KARSTEN], finally admitted, and it took a long time to get it out of him, that he considered the Bureau of Labor Statistics to be biased against the employers, the only time in my memory, and I am sure in the memory of any man in this Chamber, that any such charge has ever been made.

Mr. KARSTEN. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from Missouri.

Mr. KARSTEN. He had to make that statement to sustain his position.

Mr. ROOSEVELT. He had to.

An idea of the extent of cooperation by industry with the Bureau of Labor Statistics is given in the following:

One hundred and ten thousand establishments report employment and pay roll information each month.

Between 14,000 and 15,000 retail establishments report prices of food, house furnishings, and miscellaneous items for inclusion in the consumer's price index of the Bureau of Labor Statistics.

Ten thousand establishments are cooperating this year in occupational wage-rate surveys, by industry and by community.

Approximately 11,000 establishments report quarterly on accidents; an additional 45,000 establishments cooperate in the more detailed annual studies of accidents; 20,000 construction contractors are now cooperating in a study of the causes of accidents occurring in the construction industry.

Corporations, like the General Motors Corp., rely on the Bureau of Labor Statistics, consumer's index, for adjusting the escalator clause in its contract with the United Auto Workers. In my home town of New York the great garment industry, which is one of the most peaceful industries in our history of la-

bor-management relations, the contracts between Mr. David Dubinsky, head of the International Ladies Garment Workers Union, and the manufacturers, who are thousands of small-business men in the industry, are contracts based on an escalator clause, relying on the Bureau of Labor Statistics, consumer's price index. Some 450,000 workers in New York City, and I cannot tell you how many tens of thousands of businessmen, rely in complete confidence on the Department of Labor. Does that reflect a suspicion of bias by business? I could go on and give you case studies and case histories of group after group of businessmen who are refuting by their daily activities, by their cooperation with the Department of Labor, this charge of possible bias.

Gentlemen, there is an opposite side to this. The Congress is not called upon to assume that this record of cooperation and impartiality will continue in the operation of the Bureau of Employment Security. That need not be left to conjecture because the United States Employment Service was in the Department of Labor from 1933 to 1939 and from 1945 to 1948. Its record, while in the Department of Labor, is clear and convincing proof that it can and will be operated fairly by that Department. As a matter of fact, job orders and placements recorded in the official records of the Employment Service in the years 1945 and 1948, when it was in the Labor Department, show that employers used the Service more than during any other peacetime year since the Wagner-Peyser Act was enacted in 1933.

Reorganization Plan No. 2 provides another assurance that the Department of Labor will operate the Bureau of Employment Security impartially and effectively. Under the Wagner-Peyser Act there was a Federal Advisory Council established for the purpose of "formulating policies and discussing problems relating to employment and insuring impartiality, neutrality, and freedom from political influence in the solution of such problems."

The council has, by statute, the right of "access to all files and records of the United States Employment Service." It is composed of men and women representing employers and employees in equal numbers and the public. Under the reorganization plan submitted by the President, this council will, by law, act in the future as to all matters pertaining to both the Employment Service and unemployment compensation, so employers and employees have their advisory-council watchdog, if you want to call it, committee, sitting right in the Department of Labor day in and day out as often as they want to meet and with complete access to the records. Believe me, if there is any bias on the part of the Department of Labor, all those representatives of management have to do is go and talk to the press about it.

Mr. Chairman, during the course of your committee's consideration of Reorganization Plan No. 2 of 1949, public hearings were held. Only three witnesses appeared against the plan. One was the able Congressman from Michi-

gan [Mr. HOFFMAN], and two were representatives of big business.

The objections to the plan were few, and the evidence adduced to support these objections was unconvincing.

The major objection advanced by those who opposed the plan was an alleged bias of the Department of Labor. This is an allegation which has often been made and never been proved. Quite to the contrary, there is no evidence of bias on the part of the Department of Labor in the performance of its statutory functions.

The allegation that the Labor Department is operated in an unfair and partial manner is an extremely serious charge. The Department is a public agency, supported by public funds, and administering acts of Congress. It is staffed by persons who take an oath of office prescribed by the Congress. If such a Government agency can operate in a biased manner, the very democratic foundations of our Government could be undermined.

Any person making such a serious charge should be very careful to have facts sustaining his allegation. If he cannot prove the charge, he is guilty not only of speaking an untruth, but of doing a grave disservice to his country at a time when we have need for confidence in our Government rather than for distrust based upon innuendo, distortions, and vague and unsupported accusations.

At the outset let me note that the exact proposal made by Reorganization Plan No. 2 to transfer the Bureau of Employment Security from the Federal Security Agency to the Department of Labor was made by the Commission on Reorganization of the Executive Branch of the Government, known as the Hoover Commission. This Commission was a bipartisan body created by Public Law 162 of the Eightieth Congress. It contained no representatives of labor, labor groups, or labor organizations. It did, however, number among its 12 members 2 well-known employers. One of these was Mr. George Meade, a patriotic, civic-minded American. This Commission recommended the transfer to the Department of Labor of eight agencies or functions not now performed in the Department. While the Commission disagreed on some of its recommendations, it was unanimous in recommending the transfer of the Bureau of Employment Security to the Labor Department. Both of the employers on the Commission affirmatively joined in this recommendation, as did Mr. Herbert Hoover himself.

The Brookings Institution, which did the task force study on public welfare for the Hoover Commission, did not make any formal recommendation on the subject of the location of the Bureau of Employment Security, but it did note that—

One method of furthering * * * coordination would be to bring the facilities and resources of all agencies concerned with employment information, employment conditions, and employment processes under a common administrative head. This would be a proper statutory function of the Department of Labor, and adequate devices of congressional supervision and group consultation are available to foreclose any undue in-

fluence of either labor or management upon the administration of unemployment compensation.

It can hardly be questioned that better and less costly statistics could be obtained if the Bureau of Labor Statistics, the Employment Service, unemployment compensation, and possibly old-age and survivors insurance were in the same department.

In addition, the Brookings Institution set forth on pages 440-442 of its report the reasons why the Employment Service and unemployment compensation should be located in the Department of Labor. At no point in its task-force report did the Brookings Institution make findings which would argue against this transfer.

Mr. Chairman, I have dwelt at some length upon the findings of the task force only because its findings and recommendations were misrepresented by only partial quotations in the course of testimony before your committee. I recognize, as must the Congress, that it was not for the task force to determine the issues but merely to find the facts upon the basis of which the Commission would make appropriate recommendations. The Commission did recommend unanimously the reorganization which the President seeks to achieve through plan No. 2.

Needless to say, if there were any ground for charging the Department of Labor with bias, the Brookings Institution and the Hoover Commission would have found and considered these facts.

In testing the accuracy of the charges that the Labor Department is biased, we need not, however, rely upon purely negative evidence. It can be abundantly demonstrated that the Department of Labor has in fact performed its statutory functions in a fair and impartial manner and with due regard for the interests of all groups.

The Labor Department has for years administered a number of programs which require absolute integrity and complete impartiality. The Department's performance of these statutory duties has been above reproach. In the promotion of apprenticeship, in the administration of the wage-hour program, in the quasi-judicial determinations of the Secretary of Labor under the Walsh-Healey Public Contracts Act, and in the compilation and analysis of data by the Bureau of Labor Statistics, the Department has had the cooperation and confidence of management.

Employers and employer associations have over the years used the Department's facilities repeatedly, placed confidence in the impartiality of its data, and participated in the meetings of its committees. This is a matter of record.

The Department of Labor's Bureau of Labor Statistics has a Business Research Advisory Committee. It was created in 1947 at the request of business organizations, whose representatives had stated that business people have a vital stake in the work of the Bureau of Labor Statistics. Each member of the Committee serves, not as a representative of his company or organization, but in his capacity as a qualified technician in his field, familiar with some of the problems of business. The Committee meets three

or four times a year. It serves in an advisory capacity to the Commissioner of Labor Statistics on both technical and policy matters which are placed before it by the Commissioner. However, the Committee does have the right and duty to take the initiative in bringing up matters that should come to the attention of officials of the Bureau.

The Bureau has sought the advice of the committee in formulating its program each fiscal year. Copies of most of the Bureau publications are sent to all members to keep them acquainted with the Bureau studies in detail.

The 1949 committee has established subcommittees on construction, employment, productivity, consumer-price index, wholesale-price index, and wages and industrial relations. Each of the subcommittees has met at least once this year and has discussed the Bureau's work in great detail.

This committee includes among its members such outstanding business representatives as the executive secretary of the National Sand and Gravel Association, the chief economist of the Western Electric Co., the assistant vice president of the Baldwin Locomotive Works, the managing director of the National Electrical Manufacturers' Association, the chief economist of the National Industrial Conference Board, the vice president and controller of H. R. Macy & Co., the president of the Cotton-Textile Institute, the executive vice president of the National Retail Lumber Dealers' Association, the chief economist of the National Association of Manufacturers, the director of the economic research department of the Chamber of Commerce of the United States, and the president of the American Iron and Steel Institute.

Approximately 60 percent of the requests for information coming to the Department of Labor's Bureau of Labor Statistics are from industry.

Many thousand establishments cooperate with the Bureau of Labor Statistics on a voluntary basis in its surveys and analyses. Some have been giving information to the Bureau month after month for many years for the Bureau's statistical series. Some have been reporting information in not one but two or three fields.

An idea of the extent of cooperation by industry with the Bureau of Labor Statistics is given in the following:

One hundred and ten thousand establishments report employment and payroll information each month.

Between 14,000 and 15,000 retail establishments report prices of food, housefurnishings, and miscellaneous items for inclusion in the Consumers' Price Index of the Bureau of Labor Statistics.

Ten thousands establishments are cooperating this year in occupational wage-rate surveys, by industry and by community.

Approximately 11,000 establishments report quarterly on accidents; an additional 45,000 establishments cooperate in the more detailed annual studies of accidents; 20,000 construction contractors are now cooperating in a study of the causes of accidents occurring in the construction industry.

The above is not a complete listing, by any means, of all the fields of work in which the Bureau of Labor Statistics is engaged or of the establishments cooperating with the Bureau.

To evaluate various uses of its Consumers' Price Index, the Bureau of Labor Statistics in the spring of 1947 asked for comments from each of the nearly 7,300 persons and organizations then on its mailing list to receive the regular monthly report on this index. During the first 8 days after the request, 2,344, or 1 out of 3, of these users replied with suggestions.

One of the major conclusions apparent from tabulation of the returns was that wage negotiations constitute the most important single use of the index. Returns on this survey show that over 3,000,000 workers are covered by these wage negotiations. Over 400 users reported clauses in their union-management contracts which provide for changes in wage rates based on changes in the Bureau of Labor Statistics' Consumers' Price Index.

Manufacturers constitute the largest single group, but there are a number of other important users of the index. In terms of percent of the total number of returns on the survey, users are as follows:

	Percent
Manufacturers	31.7
Wholesalers and retailers.....	11.5
Labor unions.....	9.6
Trade associations.....	7.7
Local governments.....	7.9
Research organizations.....	5.6
All other.....	26.0

Twelve thousand six hundred and thirty-six persons and organizations are now on the mailing list to receive the monthly report on the index.

These facts should be sufficient to demonstrate clearly the complete confidence which management has been able to vest in the work of the Bureau of Labor Statistics during the many years it has been operating in the Department of Labor. When large manufacturers like the General Motors Corp. have collective bargaining contracts under which the wages of their workers are affected by changes in the B. L. S. Consumers' Price Index, it is obvious that they have absolute confidence in the integrity and impartiality of this bureau of the Department of Labor.

The Labor Department's Bureau of Apprenticeship has six national joint management-labor apprenticeship committees. These are policy recommending groups to the Bureau of Apprenticeship. Among their members are such management representatives as the president and other officials of the National Electric Contractors Association; representatives of the Painting and Decorating Contractors of America; the executive secretary of the Sheet Metal Contractors' National Association; the assistant managing director and the manager of the building division of the Associated General Contractors of America; representatives of the Stained Glass Association of America; and the president and secretary treasurer of the Contracting Plasterers' International Association.

Through the cooperation of management and labor with the Bureau of Apprenticeship, the Department of Labor has established more than 40,000 apprentice programs, having approximately 250,000 apprentices in training.

Of the approximately 800 State Reemployment Rights Committeemen serving the Department of Labor's Bureau of Veterans' Reemployment Rights, 143 were taken from the ranks of management. The State committees are made up of a cross section of representatives of management, labor, veteran organizations, the professions, public officials of the various States, and heads of Federal agencies engaged in similar activities.

In addition to the eight-hundred-odd State reemployment rights committeemen, there are approximately 3,600 local reemployment rights committeemen, hundreds of whom are from the ranks of management and small business.

All of these State and local committeemen work without compensation in order to assist the Department of Labor in the performance of its statutory functions to help veterans in the exercise of their reemployment rights.

Cooperating with the program of the President's Committee on National Employ the Physically Handicapped Week for the past 2 years have been many leaders in the fields of business and industry. There has not been a single complaint relative to any partiality of the Department of Labor in this program, which has been operated cooperatively and on a voluntary basis in the office of the Secretary of Labor since August 1947.

Chairman of this citizens' committee has been Admiral Ross T McIntire. He has been assisted by the executive vice president of the Air Transport Association, the Honorable Robert Ramspeck, as vice chairman. Members of the Congress will remember Mr. Ramspeck as an able and respected colleague.

In the radio, newspaper, and information group, no fewer than 25 committee members are representatives of business interests. Among the members representative of national associations and organizations some 34 would easily fall into a category of executive or employer.

Evidence of the splendid cooperation of business with this Department of Labor program is the fact that Mr. Earl O. Shreve addressed the meeting of this committee last December while he was president of the Chamber of Commerce of the United States and that Mr. Earl Bunting, managing director of the National Association of Manufacturers, will address the meeting later this month as the representative of business. Both the chamber of commerce and the NAM have rendered excellent services as cooperative and voluntary members of this committee.

On March 23-25, 1949, there was held, under the auspices of the Department of Labor's Bureau of Labor Standards, the President's Conference on Industrial Safety. This conference was called by President Truman through the Department of Labor for the purpose of combatting our fearful toll of industrial acci-

dents, and reducing the loss of life, painful injuries, and great economic waste occasioned by such accidents. To this conference came almost 1,000 persons from most of the States of the Union and Hawaii and Canada. They came at their own expense in order to participate in this worthy program. The largest group consisted of management representatives, who constituted 42 percent of all those present. They came from the biggest corporations in America and from the smallest. There were engineers of corporations, presidents of corporations, attorneys for corporations, company medical examiners, safety supervisors, and many others who are interested in reducing industrial accidents.

The executive director of the conference was Mr. Vincent P. Ahearn, executive secretary of the National Sand and Gravel Association. The list of companies represented reads like a Who's Who of industry. They came to help in a worthy cause, and they found no evidence of discrimination or bias against business on the part of the Department of Labor. They found, instead, the Labor Department, at the request of the President, initiating a program to help save them millions of dollars through reduction of industrial accidents and to help them save the lives of their workmen.

The Bureau of Labor Standards has utilized an advisory council composed of management, as well as labor, to carry on an accident-prevention program, and, particularly during the war, it relied primarily upon hundreds of safety engineers lent from private industry and paid by private employers.

This record of cooperation between the Department of Labor and business and industry constitutes a clear and dramatic refutation of the specious charges that the Labor Department cannot operate impartially and enjoy the confidence of management.

Nor is the Congress called upon to assume that this record of cooperation and impartiality will continue in the operation of the Bureau of Employment Security. That need not be left to conjecture because the United States Employment Service was in the Department of Labor from 1933 to 1939 and from 1945 to 1948. Its record while in the Department of Labor is clear and convincing proof that it can and will be operated fairly by that Department. As a matter of fact, job orders and placements recorded in the official records of the Employment Service in the years 1945 to 1948, when it was in the Labor Department, show that employers used the Service more than during any other peacetime year since the Wagner-Peyser Act was enacted in 1933.

Reorganization Plan No. 2 provides another assurance that the Department of Labor will operate the Bureau of Employment Security impartially and effectively. Under the Wagner-Peyser Act, there was a Federal Advisory Council established for the purpose of "formulating policies and discussing problems relating to employment and insuring impartiality, neutrality, and freedom from political influence in the solution of such

problems." The Council has, by statute, the right of "access to all the files and records of the United States Employment Service." It is composed of men and women representing employers and employees in equal numbers and the public. Under the reorganization plan submitted by the President, this Council will, by law, act in the future as to all matters pertaining to both the employment service and unemployment compensation. In this outstanding group of citizens, we have additional assurance that the Bureau of Employment Security will operate efficiently and fairly.

The allegations of bias against the Department of Labor are never specific and never detailed. They always start with reference to the 1913 act creating the Department and end with generalizations which are a non sequitur. These arguments completely overlook the fact that each act of Congress is a law unto itself and that the mandate to a Government agency in enforcing a particular statute is to be found within the four corners of that statute. There is no evidence that the enforcement of programs entrusted to the Department of Labor has been other than in accord with the congressional intent as expressed in the particular statute.

There seems to be a general misunderstanding of the difference between bias toward labor and administration of a statute passed by the Congress for the welfare of workers. An act of Congress for the protection of workers is a labor law, but there is no reason why it cannot and should not be enforced with due regard for the public welfare and with devotion to the public service. The Labor Department enforces some statutes for the protection of workers, but this does not mean it is biased toward labor. It merely means that the Congress of the United States found that workers require protection in certain respect and entrusted designated public officials with the job of enforcing the statute providing such protection. The Department of Labor can neither increase nor diminish the protection accorded workers by such statutes, and there is no evidence that it has attempted to do so.

Mr. Chairman, I think it is unfair of anyone to assume that the Department of Labor is biased because it is carrying out our mandate in labor statutes. We would resent very deeply any implication that we were biased in enacting these laws. They were enacted in the broad, public interest, and they have benefited our whole country. They have, in fact, helped the many hundreds of thousands of good employers as well as workers. Fair businessmen have been protected by so-called labor laws from the unfair competition of the small percentage of unscrupulous or chiseling employers.

Mr. Chairman, your committee considered carefully the testimony before it with respect to Reorganization Plan No. 2. That testimony gave no possible basis for rejection of the plan. As a lawyer, I look for evidence rather than innuendo; I look for facts rather than fictions; and I look for proof rather than presumption. Judging the evidence before your committee by these standards,

I can come to no conclusion but that the Bureau of Employment Security would operate more effectively and efficiently in the Department of Labor than in the Federal Security Agency; that it is more nearly related to the Department's functions than to the functions of the Federal Security Agency; that there is a reasonable and sound basis for the Hoover Commission's recommendation; and that the Department of Labor is not a biased and partial agency and would operate the Bureau of Employment Security properly and fairly. I urge my colleagues to join in rejecting the resolution against this plan and in voting for rebuilding the Labor Department and improving the performance in the public interest of the labor functions of the Government.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. HARVEY].

Mr. HARVEY. Mr. Chairman, this question of Reorganization Plan No. 2 was before the Committee on Expenditures in the Executive Departments last year. I sat through those hearings with a great deal of interest. They formed a very rich background for consideration this year, at least for me personally.

We have heard a great many charges and countercharges here today, most of them based on the theory of what might or might not happen should this reorganization plan go into effect. You have heard the history of the moving about of these agencies and what has happened during the time that they have been in the process of shifting about. I am going to speak primarily here in the limited time I have as a person who has used this employment service at the local level. I might add also that it was my responsibility when serving at the State level to review carefully and to evaluate the efforts of both of these agencies.

Let me say first of all—I do not think there is any contention on that issue—but I want to make the point perfectly clear that I think there is no doubt that these two agencies should be operated as a united agency. I think there is no contention on that point but I believe it is well to reaffirm it.

I listened to the gentleman from New York who has just discussed this issue and I think he did a very good job of it. I will say to him, however, that I think in part his judgment may have lacked the background of experience in dealing with these problems that would have made his observations a little more pertinent had he had that background. I am sure, of course, of his sincerity, but I do know one thing, and that I know for sure, because I have had it demonstrated ably in the past, that regulations for the operation of these agencies come from the head of the Federal agency; and I do know, point No. 2, that the Secretary of Labor is charged with the responsibility for looking after the affairs, the interests, and the legislation in favor of labor, just as the Department of Commerce is charged with the responsibility of attending to the interests of industry.

As a matter of Government procedure, if you were not going into questions of personality, and believe me, I am not,

despite the fact that Mr. Ewing has his home, as he calls it, in my district, I think you would agree that just fairness of administration would dictate that you are going to get fairness of administration only when you have the arbiter placed in a neutral agency. I think that is patent. There can be no argument about that. You can argue from now on for the rest of the time as to what you think might happen and how Mr. Ewing or Mr. Tobin would administer this plan. I am not here to claim any particular virtues for either one of those gentlemen, but am holding to the principle and, as I say, I have operated under these agencies at the local level, the head of the department or the agency, whichever one is to administer this, does have a great power, through their rules and regulations, to influence the activities of your local agencies or your State agencies, and it is through the Federal administrator that we can get a slanting of the administration at the administrative level, which is the local level. For that reason, and I think it is a perfectly tenable one, we should not make this transfer. I think it will be best administered in a neutral agency. I have no particular cause of complaint against the present administration of that agency.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Chairman, I shall vote against this resolution. I am not a member of the Committee on Expenditures in the Executive Departments which has given House consideration to this Reorganization Plan No. 2. In these days it is physically impossible for a Member to know everything there is to know about the thousands of bills that are introduced into the House.

I have been in Congress a long time and recall vividly public demand, Presidential requests, and congressional endeavors to bring about reorganization of the executive branch and more efficiency and economy in Government. In the past there has been much talk and conscientious effort to bring about these reforms. Because of practical, prejudicial, sectional, and personal views and differences, nothing has happened up to date. The Eightieth Congress set up the Hoover Commission. That Commission has had adequate funds, sufficient, and capable expert help, and has made a businesslike, prolonged, and meticulous study of the executive branch of our Government. As a result of this study, the President has submitted some plans to the Congress and more are to follow.

Mr. Chairman, the committee is not united on this plan. A majority, however, favors it. I am sure the plan is not perfect, and I am just as convinced that if we wait until we have a perfect plan, there will never be any reorganization as contemplated in the Hoover Commission objective. For my part, today I am going to rely much upon faith.

The people of the country are almost unanimously demanding that Congress adopt the recommendations of the

Hoover Commission. True, none of these people—yes, I say none of these people—so demanding are fully advised in the premises. Neither this committee nor the House understands all the details and the many implications, much less the people throughout the country. The Hoover Commission, however, was composed of nonpartisan, experienced experts. Former President Hoover, in whom the country has much confidence, and who has but one objective in life, to help make this a better world in which to live, and who seeks no honor or political preferment, and who has had experience as the head of the executive branch of the Government, enthusiastically and unequivocally endorses this plan upon which we are soon to vote.

Mr. Hoover is a Republican. On the other hand, President Truman, as stated by the gentleman from Ohio [Mr. BROWN], is committed to the recommendations of the Hoover Commission. He has sent this Hoover Commission proposal to the Congress in the manner recommended by the Commission, and approved by the Congress. He urges the adoption of this plan. Mr. Truman is a Democrat. These distinguished men who have served as President should know what they are talking about and it is to their credit and to the benefit of the American people that they speak in unison as Americans and not as partisans when they endorse this particular reorganization plan.

Personally, an overwhelmingly majority of the people whom I represent in Congress demands that these recommendations be approved at the earliest possible moment to the end that taxes be reduced and a more perfect government result.

In my opinion, it will be rather difficult for those who vote against this plan to explain to their constituents; nevertheless, if I were convinced that this plan were positively not in the best interests of my country, I should so vote, the Hoover Commission and the President of the United States to the contrary notwithstanding.

In closing, may I express the hope that the President will at a very early date submit to Congress the additional plans necessary to carry out the recommendations of the Hoover Commission. I am persuaded they will not be disapproved by the House.

(Mr. MICHENER asked and was given permission to revise and extend his remarks.)

[Mr. HOFFMAN of Michigan addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. DAWSON. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. HOLIFIELD].

(Mr. HOLIFIELD asked and was given permission to revise and extend his remarks.)

Mr. HOLIFIELD. Mr. Chairman, I know the members of the committee have been greatly edified by the speeches this afternoon, and I do not intend to detain you long. I think there are certain things that should be called to the attention of the Members of the House that have occurred during the debate.

May I point out first that the gentleman from Wisconsin [Mr. KEEFE], the gentleman from Indiana [Mr. HALLECK] and the gentleman from Michigan [Mr. HOFFMAN] were all concerned with a change of function in the unemployment service or in the unemployment compensation service. I want to say first, last, and always that, as the gentleman from Ohio [Mr. BROWN] has told you, there is no change in function in any of these organizations involved in the acceptance or the rejection of this plan. There is no change in function and there can be no change in function unless the Congress takes action and makes the change in function.

One other point I wish to make is this: The resolution of disapproval introduced by the gentleman from Michigan [Mr. HOFFMAN], House Resolution 301, presents to the House this parliamentary situation. If you are in favor of the President's plan, if you are in favor of the unanimous Hoover Commission report on this plan No. 2, then you must vote "no." In other words, we are working in reverse here today, we are rejecting the resolution of disapproval. In order to have the plan, you must vote "no."

It has been agreed by practically every speaker and all competent and disinterested students of this subject that job placement and job insurance are closely joined for administrative purposes and should be in the same department, regardless of whether they are in the Social Security Agency or the Labor Department. They should be together, everybody agrees on that. The point is, where should we place them for the utmost in economy and efficiency in order to put related services together? Remember, one of the functions of the Hoover Commission was to put related subjects together in the same department under one responsible head.

I believe it should be in the Department of Labor. The organic law of the Labor Department includes the direct mandate to advance the opportunities of workers for profitable employment. Everyone has said that and we all know it is true. It is the objective of the employment service to give people jobs, to bring the job to the man and to bring the man to the job. Through their compilation of labor statistical knowledge from throughout the Nation they are in a better place to do it than anyone else.

If the man is getting his compensation check over in the Social Security Agency, he does not have access to the information which is available in the Bureau of Labor Statistics as to where the jobs are. If you put them both together, then you have the jobs available where you can direct them to the man that is unemployed, and thereby save additional unemployment compensation checks. That is the real basic reason for this reorganization.

Unemployment compensation is not an objective. It is a tool. It is a stop-gap or service to wage earners who are unemployed, while they are unemployed, and the quicker you can get that unemployed man to a job, the quicker you can stop his unemployment compensation check. That is where your efficiency and

your savings will come in, so far as the unemployment compensation fund is concerned.

This is not a partisan issue. I want to speak for just a minute on the Hoover Commission reports. You cannot pin the worth or the lack of worth on Mr. Hoover as an individual. Mr. Hoover's place in history is secure. Some people respect his ability and some do not. I am one of those who respect his ability. I have disagreed with him at times. But when you try to pin this recommendation on Mr. Hoover as an individual, you are making a mistake. This recommendation is a result of the unanimous opinion of the 12 members of the Hoover Commission, men drawn from Republican and Democratic sides of both Houses—men drawn from management and from labor and from the Department of State and from the Secretary of National Defense—men of that caliber. It was a nonpartisan recommendation. So, do not pin this particular recommendation either on Mr. Hoover or take it off of him. He was Chairman of the Commission which made the recommendation. Our own member, the gentleman from Ohio [Mr. BROWN], and a former member, Mr. Manasco, represented the House on that particular Commission. The Commission's recommendation was unanimous on this. On some of the recommendations they were not unanimous—there was disagreement—but on this one they were unanimous.

I do not want to make this a partisan issue, but the Democratic Party platform of 1948 said and pledged to the people of the United States that we were going to rebuild and strengthen the Department of Labor. The Hoover Commission agrees fully with that plank in that platform. It is only a step forward—it is not all the steps that are necessary, but only one step forward to do that job to which we, as Democrats, are pledged.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. ROOSEVELT. Is it not true that there were no representatives of labor or of labor organizations on the Hoover Commission, but that there were two management representatives, one of them being, I believe, Mr. George Meade, one of the great patriots of America?

Mr. HOLIFIELD. The gentleman has stated a fact. We, as Democrats, and many of the Republicans, want the Labor Department to be restored to its rightful place in the affairs of Government.

Mr. HARVEY. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. HARVEY. During the course of the debate here on the question of granting this power to the President, the gentleman and other Members of his own party have stated they were unwilling to depend on the infallibility of the President's judgment in matters of this kind.

Mr. HOLIFIELD. That is right. We are not depending on any one man on this. We are taking the recommendation of a group of men. I have differed with my President and I have differed with

Mr. Hoover in the past. I expect to differ with them in the future, but that has nothing to do with the question. The question is on the merits of the plan which is before us.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. EBERHARTER. Does the gentleman know whether or not there was a staff of independent experts who made an impartial study of this question and can he give us some information on that?

Mr. HOLIFIELD. Yes, I am glad to give the gentleman some information on that. We have had quotations from the Brookings Institution report today. I am going to do a little quoting from it—the part that was quoted to you by the gentleman from Wisconsin, I believe, and some of the other speakers. It is as follows:

The nature of this issue, regarding the proper location of the Federal agency administering the employment service and unemployment compensation precludes its settlement on a purely factual basis. The decision must be arrived at on the basis of judgment and in the last analysis this judgment must be exercised by the duly elected representatives of the people.

That is exactly what we are doing. But now I am going to turn to another page which was not quoted. This is in the Brookings Institution report on page 441. Here is what they had to say, and I would like to have the Members get this quotation:

Employment offices and unemployment compensation are more closely related to each other than to either social security, educational, or public health programs.

Do you get that? It belongs with the Department of Labor and not in the social security department.

The report reads further:

Both are Federal-State programs dealing with problems of employer and employees, hiring and lay-off, job stabilization, personnel and labor management relations. Neither has any comparable relation to public assistance or grants to States for education and public health.

The Employment Service (together with unemployment compensation) is a vital and necessary segment of the functions of any agency charged with administering Federal policies with respect to the labor market, working conditions, and labor-management relations.

In other words, it has business in the Social Security Agency. Quoting further:

Old-age and survivor's insurance is a completely Federal program with different coverage and different administration procedure from the unemployment compensation.

That ought to settle what the Brookings Institute report said about it, but they said something else:

Employment security has a close operating relationship with other employment and labor functions.

Just what I said. The place to put the men to work is where jobs are located.

Let me go farther. The Brookings Institute also said:

In the States the Employment Security Agency is not located in the State welfare, health, or education department, but is either located in the State industrial commission,

or labor department, or in a department with other labor functions, or in an independent employment security or unemployment compensation commission.

I will give you the figures.

The CHAIRMAN. The time of the gentleman from California [Mr. HOLIFIELD] has expired.

Mr. DAWSON. Mr. Chairman, I yield the gentleman from California five additional minutes.

Mr. HOLIFIELD. In 15 of the States the unemployment compensation is in the State Department of Labor. In 6 of the States they are in a department with other labor functions, and in 30 of the States they are in an independent agency.

Many of the men who appeared before the committee and testified against this plan came from States where the unemployment compensation was located in the department of labor of their respective States.

Mr. TAURIELLO. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. TAURIELLO. Is it not a fact that in keeping with the reorganization plan, if we just transfer agencies from one bureau to another and thereby bring about a greater degree of efficiency, in the long run we will save money?

Mr. HOLIFIELD. Greater efficiency and bringing related services together are two of the three objectives of the Hoover Commission. The other one, of course, is economy. If you have the first two, you automatically get the last one. You get more services for your dollar and that produces economy.

Now, it seems to me that the people who are opposing this plan do not want a strong Labor Department. They do not even want a Labor Department—some of them; I do not mean all of them. On the one hand, they argue that the Labor Department is weak and biased, and, on the other hand, they want to take another function away.

It was rightly said by the gentleman from Wisconsin [Mr. KEEFE] that what they could not do by regular legislative action they did by riders on an appropriation bill in the Eightieth Congress. It is true that they weakened the Department of Labor in the Eightieth Congress. We are trying to strengthen it in accordance with the Democratic platform pledges and in accordance with the Hoover Commission report.

So, in conclusion, I say, if you want to vote for the acceptance of this plan, you must vote "no" on the resolution. Let there be no confusion about that matter.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. DAWSON. Mr. Chairman, I yield such time as he may desire to the gentleman from West Virginia [Mr. BURNSIDE].

(Mr. BURNSIDE asked and was given permission to revise and extend his remarks.)

Mr. BURNSIDE. Mr. Chairman, Reorganization Plan No. 2 of 1949 does two principal things. First, it transfers the Bureau of Employment Security from

the Federal Security Agency to the Department of Labor, and with the Bureau its Federal Advisory Council. Second, it abolishes the Veterans' Placement Service Board and transfers its functions and those of its chairman to the Secretary of Labor. I should like briefly to explain each of these changes and indicate the reasons why they are desirable.

TRANSFER OF BUREAU OF EMPLOYMENT SECURITY

The President has long believed that the Bureau of Employment Security properly belonged in the Department of Labor. The Commission on Organization of the Executive Branch has unanimously recommended that the Bureau be transferred to the Labor Department. And the Secretary of Labor and the Federal Security Administrator have both concurred in that recommendation.

Since the question of the proper location of this Bureau has been before the Congress for some time, you are no doubt generally familiar with the agency and the issues involved in its transfer. The Bureau of Employment Security administers the functions of the Federal Government relating to employment service and unemployment compensation, or unemployment insurance as it is coming to be called. These are both Federal-State programs. Actual operations are handled by the States, but the cost of administration is borne entirely by the Federal Government. The Federal role consists mainly of the review and approval of State plans of operation, the administration of grants-in-aid, the conduct of research and developmental activities, and the provision of technical advice and assistance to the States. In the case of employment service, it also involves provision for the interstate clearance of labor and the maintenance of special supervisory and coordinating machinery with respect to the placement of veterans and farm workers.

Employment service and unemployment compensation are companion programs. The first aids workers in obtaining jobs and employers in securing labor, while the second provides cash benefits when suitable employment cannot be obtained. Though both programs are important, the fundamental concern is to get the unemployed worker a job. In consequence, the efficiency of the public employment service should be the dominant consideration in determining the location of the Bureau of Employment Security in the executive branch. This is true even from the standpoint of the unemployment compensation program, for whatever speeds up the placement of workers in jobs reduces the drain upon the compensation funds and lightens the burden of unemployment compensation levies upon employers.

The Labor Department undoubtedly affords a much more favorable environment for the development of employment service than does the Federal Security Agency. The latter by the nature of its programs is naturally more deeply interested in social insurance than in employment service. On the other hand, the Department of Labor has the specialized services and personnel needed to aid the Bureau of Employment Security in improving employment service.

Every bureau of the Department of Labor has something to contribute to the effectiveness of public employment service. Much of the work of the Bureau of Labor Statistics in particular bears directly on employment-service problems. Its occupational outlook program produces vocational counseling materials used in employment service. Further, its studies and statistical materials on wages, hours, and employment provide valuable guides for employment service officials. The Bureau of Labor Standards is the source of needed information on labor standards and working conditions. The Women's Bureau and the Wage and Hour Division have specialists on employment problems of women, learners, and some other special groups. The Bureau of Veterans' Reemployment Rights assists in returning veterans to their former jobs, and the Bureau of Apprenticeship cooperates with the employment offices with respect to recruiting and placing apprentices. Conversely, the various agencies of the Department of Labor need the assistance of the employment service in performing their functions. With their numerous day-to-day contacts with employers and workers throughout the country the public employment offices are an invaluable source of current information on employment and labor market problems.

In opposition to the transfer of the Bureau of Employment Security the claim has been made that the Department of Labor is biased in favor of the worker and cannot be trusted to deal fairly with the interests of employers in administering the functions of the Federal Government with respect to employment service and unemployment compensation. This claim ignores the fact that the Department of Labor is just as much a public agency as is the Federal Security Agency. Both are controlled by the policies prescribed by the Congress. Both are headed by officers selected from outside the labor movement. Both are subject to the same supervision by the President.

However, the real answer to this charge is to be found in experience. The Department of Labor has administered for years a number of programs, such as the wage-and-hour program, the Walsh-Healey Act, and the labor-statistics program, which require absolute integrity and equitable treatment of both management and labor. Had these programs not been fairly administered by the Department, a strong demand for their transfer would long since have arisen. Furthermore, it should not be forgotten that from 1933 to 1939 and from 1945 to 1948 the United States Employment Service was administered by the Labor Department and that the volume of employment service placements reached its peak during the latter of those periods. Again, had the Labor Department been unfair to management in its administration of its employment service functions during those years, it is obvious that employers would have withheld their patronage and placements would have fallen. Since placements rose sharply instead, it is obvious that employer patronage increased and that the charges

of bias and unfairness were not substantiated by experience.

In this connection it also is worth noting that in many States employment service and unemployment compensation are, and for more than a dozen years have been, administered by labor departments. Among these are several of the major industrial States, including New York, Pennsylvania, Illinois, and Massachusetts. Together these States have between 40 and 50 percent of the personnel engaged in these programs. Had administration by labor departments proved detrimental to the interests of management or to the effectiveness of the employment service and unemployment compensation programs, it is certain that an insistent demand for removal from those departments would long since have arisen. The lack of efforts to effect such changes is strong evidence of the absence of substance to the principal objections to this reorganization plan.

VETERANS' PLACEMENT SERVICE BOARD

Now let me explain the provisions of the plan with respect to the Veterans' Placement Service Board. The United States Employment Service is required by the act which created it and by the Servicemen's Readjustment Act of 1944 to maintain a Veterans' Employment Service. This service is operated through the regular State employment offices with veterans' placement representatives from the Bureau of Employment Security exercising special supervision over the work. The reorganization plan does not abolish or alter the operation of the Veterans' Employment Service. Rather it simplifies the machinery for the administration of the service.

The function of the Veterans' Placement Service Board has been to determine the policies of the Veterans' Employment Service, which by law is administered by the United States Employment Service within the Bureau of Employment Security. The Chairman of the Board has had the additional function of appointing the Chief of the Veterans' Employment Service. The Board has consisted of the Administrator of Veterans' Affairs as Chairman, the Director of the Selective Service System, and the head of the department or agency in charge of the United States Employment Service, now the Federal Security Administrator. Thus, the policies and the selection of the Chief of the Veterans' Employment Service have been controlled by officers other than the head of the agency by which it is administered.

The abolition of the Board will concentrate responsibility for the policies of the Veterans' Employment Service in the officer who will be responsible for supervising its administration after the transfer of the Bureau of Employment Security, namely, the Secretary of Labor. This will eliminate what the Commission on Organization of the Executive Branch of the Government referred to as an "anomalous administrative arrangement" needing correction. More important, it will make for better service to veterans by fixing responsibility and assur-

ing proper working relations between the Veterans' Employment Service and the general employment service.

The Department of Labor was intended to be the central agency of the Government for the administration of labor functions, but in recent years these functions have been scattered about the executive branch. In the judgment of the President and the Commission on Organization of the Executive Branch the time has come to reverse this process and bring about a more orderly and efficient organization of Federal activities relating to labor problems. This plan is an important step toward the accomplishment of that objective.

Mr. DAWSON. Mr. Chairman, I ask unanimous consent that all Members may be permitted to extend their remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. KARSTEN. Mr. Chairman, the matter under consideration is one that has been before the Congress for many years. It is not a complicated question but in the past it has been the subject of much controversy. The question we have to decide is, where shall we locate the Employment Service and the Bureau of Unemployment Compensation.

Since these agencies were established some years ago, they have been moved from one Government department to another. I do not know of any Federal offices that have been more transferred and moved around than the Employment Service and the Unemployment Compensation Division. At the present time both the Employment Service and the Unemployment Compensation programs are being administered by the Federal Security Agency.

The President, acting upon information developed by the Hoover Commission on the organization of the Federal Government recently submitted Reorganization Plan II to the Congress, recommending that the Employment Service and the Unemployment Compensation Division be permanently transferred to the Department of Labor. When the Department of Labor was established the Secretary was charged with the duty of fostering, promoting, and developing the welfare of the wage earners of the United States, improving their working conditions, and advancing their opportunities for profitable employment. This Department is certainly the logical place for the Employment Service.

Statements have been made that if the Service is transferred to the Labor Department it would not be used by employers who feel the Labor Department is prejudiced. There is little basis for such an objection, because a few years ago when the Employment Service was in the Department of Labor it made more placements of workers than at any time in its peacetime history. During 1946, when the Service was in the Department of Labor, it placed over 5,000,000 employees in nonagricultural work. In 1947 it again exceeded 5,000,000 placements. This certainly does not demonstrate a lack of confidence on the part of employers.

As you know, when an unemployed worker cannot find a position he may be paid unemployment-compensation benefits. It is conceded by everyone that the primary purpose of the whole program is to find jobs for workers rather than pay them compensation. The two programs, finding jobs and paying compensation, are very closely related, and most of the witnesses who appeared before the committee agreed that both services should be together in a single agency.

The Federal Security Agency, which is handling both programs now, has done a fairly good job, but I believe improvements could be made if the proposed transfer is permitted to go into effect. The Federal Security Agency is primarily concerned with welfare programs rather than employment. By placing these offices in the Labor Department the emphasis will be placed on jobs. Compensation will be paid only where applicants are unable to be placed to work. By bringing about better efficiency and coordinating with existing Labor Department facilities, the program will be run economically. The Secretary of Labor, who appeared before the committee, said he felt that the cost of operation of the program at the beginning will be about the same as it is now but that he hoped in time to bring about greater efficiency which in time should result in savings.

This proposal is in line with the recommendations of the Hoover Commission to bring about efficiency in the Government Service. The Commission has recommended that like functions be grouped together. Reorganization Plan II follows that recommendation. If we are to ever bring about efficiency and economy in the operation of the Government, the time to start is now. For over a year and a half the Commission on Reorganization of the Executive Branch of the Government made an exhaustive study of all the Government agencies. The reforms they have recommended can save taxpayers of America many millions of dollars if they are followed.

If by any chance the House, this afternoon, rejects this reorganization proposal it might have a very serious effect on other reorganization plans in the future. To reject this proposal might set a precedent to do so whenever other reorganization plans are presented. I do not believe the House is willing to set this precedent. I hope the resolution before us will be defeated in order that the pending reorganization plan can become effective.

Mr. DONOHUE. Mr. Chairman, my purpose in rising at this moment is to appeal to my colleagues to concentrate their attention on what is now the outstanding feature of this legislation. An amendment has been included to raise the minimum wage to 75 cents an hour. Mainly because of that fact it is my intention to support this measure.

Our duty here today is to clarify, strengthen, and extend the scope and application of the Fair Labor Standards Act and thus more fully attain the declared policy of the act. This policy, as set forth in the act itself, is "to correct and, as rapidly as practicable, to elimi-

nate labor conditions detrimental to the maintenance of the minimum standard of living necessary for health, efficiency, and general well-being of workers."

The figure of 40 cents an hour, presently existing, was determined in 1938. Even then the Congress recognized that the statutory minimum wage of 40 cents an hour "does not give a wage sufficient to maintain what we would like to regard as the minimum American standard of living."

I believe that the overwhelming majority of the Members of this House will agree that, as the result of the economic development of our country during the past 10 years, the 40-cent rate, inadequate when enacted, has long been outmoded as a measure of the amount required to yield a minimum standard of living for American workers. The rise in national income, farm income, productivity, and corporate profits clearly enables a very substantial permanent increase in the current minimum wage.

I am going to vote for the acceptance of this proposed 75-cent minimum wage, although our economy, as a whole, could very likely support a minimum figure much higher than 75 cents per hour, because it is a step toward the achievement of two basic purposes. First, it takes into account and gives desperately needed help to workers in the lowest paying segments of our industry and in the lowest-paid occupations. Secondly, it will more fully accomplish one important purpose of the present act which is to prevent disastrous wage cutting and thus to bolster purchasing power against any future recession.

I well realize there are very many objectionable features in this legislation and I know all of the Members of this House who have the welfare of our American wage earners at heart, appreciate that fact. The exemptions of so many workers who should be included in this legislation and the lack of clarity in the language of many provisions which would, if retained, aggravate legal controversy and honest misunderstanding, is regrettable. Let up hope that, as this measure proceeds through both Houses of the Congress the grave injustices will be rectified.

Let us accept the vitally necessary and long awaited improvement of the basic establishment of a 75-cents per hour minimum wage for our American workers and then direct our further efforts to equitable adjustment of the exemption discriminations at the earliest possible moment.

The CHAIRMAN. The Clerk will read the resolution.

The Clerk read, as follows:

Resolved, That the House does not favor the Reorganization Plan No. 2 of June 20, 1949, transmitted to Congress by the President on the 20th day of June 1949.

Mr. DAWSON. Mr. Chairman, I move that the Committee do now rise and report the resolution back to the House with the recommendation that it be not agreed to.

The motion was agreed to.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. MADDEN, Chairman of the Commit-

tee of the Whole House on the State of the Union, reported that that Committee, having had under consideration House Resolution 301, directed him to report the same back to the House with the recommendation that it be not agreed to.

Mr. HALLECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HALLECK. As I understand, the resolution before us is a resolution to disapprove Reorganization Plan No. 2 which has been adversely reported by the Committee. If a Member wanted to vote for the adoption of the reorganization plan he would vote "no;" otherwise he would vote "aye."

The SPEAKER. That is correct.

Mr. HALLECK. Further, Mr. Speaker, do I understand correctly that under the terms of the Reorganization Act under which we are operating the proponents of the resolution who by that resolution would seek to disapprove Reorganization Plan No. 2 would have to have 218 votes actually present and voting in order to carry the resolution?

The SPEAKER. That is correct; that is the law, and the Chair will take this opportunity to read the law:

SEC. 6. (a) Except as may be otherwise provided pursuant to subsection (c) of this section, the provisions of the reorganization plan shall take effect upon the expiration of the first period of 60 calendar days, of continuous session of the Congress, following the date on which the plan is transmitted to it; but only if, between the date of transmittal and the expiration of such 60-day period there has not been passed by either of the two Houses, by the affirmative vote of a majority of the authorized membership of that House, a resolution stating in substance that that House does not favor the reorganization plan.

Mr. BROWN of Ohio. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BROWN of Ohio. How will the Chair determine whether there are 218 votes cast in favor of the resolution?

The SPEAKER. By the usual method: Either by a viva voce vote, division vote, or a vote by the yeas and nays.

The question is on the resolution.

The question was taken.

The SPEAKER. In the opinion of the Chair the resolution not having received the affirmative vote of a majority of the authorized membership of the House, the resolution is not agreed to.

So the resolution was rejected.

CORRECTION OF RECORD

Mr. COOPER. Mr. Speaker, I ask unanimous consent that the permanent RECORD be corrected, as follows: In the RECORD of yesterday, page 11432 where my amendment appears in column 2 on line 3 of the amendment, it reads: "On page 13, line 14." It should read: "On page 31, line 14."

My amendment gave the correct page and line of the bill but the mistake was made in the printing in the RECORD.

The SPEAKER. Without objection the permanent RECORD will be corrected accordingly.

There was no objection.

ARMY AND AIR FORCE VITALIZATION AND RETIREMENT EQUALIZATION ACT OF 1948

Mr. CLEMENTE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5929) to amend the Army and Air Force Vitalization and Retirement Equalization Act of 1948.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subsection (b) of section 302 of the Army Air Force Vitalization and Retirement Equalization Act of 1948 is hereby amended by striking out the words "the enactment of this act" and inserting in lieu thereof "July 1, 1949."

SEC. 2. That subsection (c) of section 302 of the Army and Air Force Vitalization and Retirement Equalization Act of 1948 is hereby amended by striking out the words "the enactment of this act" and inserting in lieu thereof "July 1, 1949."

SEC. 3. That the second proviso of section 303 of the Army and Air Force Vitalization and Retirement Equalization Act of 1948 is hereby amended by striking out the words "the date of enactment of this act" and inserting in lieu thereof "July 1, 1949."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

(Mr. CLEMENTE asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. CLEMENTE. Mr. Speaker, this bill, H. R. 5929, is identical in language with H. R. 5508 in the form in which that bill was reported to the House on July 12. The purpose of this legislation is to correct certain inequities which have resulted in the operation of the reserve retirement provisions of title III of Public Law 810, enacted last year during the second session of the Eightieth Congress.

As reported by the House committee on July 12, H. R. 5508 contained the identical language set forth in the three sections (1), (2), and (3) of the bill now before us. However, when that bill was taken up on the floor of the House the gentleman from Louisiana [Mr. Brooks] offered an amendment at the request of Maj. Gen. Milton A. Reckord, chairman of the committee on legislation, National Guard Association of America. This amendment, which was adopted by the House, added a fourth section to the bill which would have extended the benefits of title III to personnel of the National Guard or Organized Militia prior to June 3, 1916. These groups were not covered by the language of Public Law 810 enacted last year.

I would like to point out that the gentleman from Louisiana offered this amendment in the sincere belief, as he stated on the floor at that time, that the language which he proposed would not affect more than six individuals and hence would result in a negligible increase in cost.

I have also been advised that General Reckord was very definitely of the same impression at the time when he urged the adoption of this amendment and it has been a source of great embarrass-

REORGANIZATION PLAN NO. 2 OF 1949 TRANSFERRING
THE BUREAU OF EMPLOYMENT SECURITY

AUGUST 12 (legislative day, JUNE 2), 1949.—Ordered to be printed

Mr. HUMPHREY, from the Committee on Expenditures in the Executive Departments, submitted the following

MINORITY VIEWS

[To accompany S. Res. 151]

The minority is of the opinion that Senate Resolution 151, which was referred to the Committee on Expenditures in the Executive Departments, should be rejected by the Senate. In this way Reorganization Plan No. 2 of 1949, transferring the Bureau of Employment Security from the Federal Security Agency to the United States Department of Labor, will become effective in accordance with the recommendations of the Commission on Organization of the Executive Branch of the Government.

SUMMARY STATEMENT

The most important problem our Nation faces today is to maintain maximum employment. The transfer of the Bureau of Employment Security to the Department of Labor will help achieve that objective by placing the employment service and unemployment compensation functions of the Government in the agency which analyzes and promotes job opportunities as distinguished from merely giving financial assistance to the unemployed. During the years 1945 to 1948, when the Employment Service was in the Department of Labor, this service received more job orders and placed more people in jobs than in any other peacetime year since the Wagner-Peyser Act was enacted in 1933.

Emphasis on finding the job for the worker reduces the amount which employers and the public will have to pay as unemployment compensation. Cash benefits, although essential, are a poor substitute for the earnings from a steady job because they constitute merely a fraction of the worker's regular wages. The minority feels very strongly that the prosperity and well-being of the worker as well as the extent of the unemployment-compensation burden on the Nation

are directly dependent upon the effectiveness of the Employment Service. The Congress should not overlook any opportunity at this time to increase the efficiency and effectiveness of this Service. Such an opportunity is presented by Reorganization Plan No. 2, and the failure to recognize this fact would, in the opinion of the minority, constitute a serious legislative blunder.

The minority fails to find any sound basis for the statement of the committee report that the plan will bring increased costs without improving efficiency. The task-force report to the Hoover Commission and the report of the Commission to the Congress found that the Department of Labor has a special understanding of Employment problems and the operation of the labor market. It possesses the necessary specialists, the wealth of information on occupations, on employment trends, on wage rates, on working conditions, on labor legislation and on other matters essential to employment counseling and placement. These reports found that the various bureaus and functions of the Department were interdependent with the Bureau of Employment Security and its functions and that greater efficiency and effectiveness will result from the coordination of all of these functions in the Department of Labor. No increased costs can arise from field operations, as charged in the committee report, because the Labor Department now has field offices in as many cities as the Federal Security Agency, thus requiring merely a simple transfer of personnel.

The minority failed to find any convincing evidence whatsoever that the programs of the Bureau of Employment Security are closely related to the programs of the Federal Security Agency—which deals primarily with problems related to the welfare of individuals as such and almost entirely unrelated to individuals as workers in the great labor force of the Nation. This is self-evident merely from a review of the various programs of the Federal Security Agency, such as education, public health, cancer control, infant and child care, food and drug administration, St. Elizabeths Hospital, old-age and survivor's insurance, and special assistance to the needy, blind, the aged, and dependent or crippled children. As was demonstrated at the hearings, findings jobs for workers and paying benefits for periods of temporary unemployment have no real place in a welfare program and can receive little benefit from or contribute little efficiency to such a program.

The only voices raised against Reorganization Plan No. 2 expressed a vague and unsubstantiated fear that the Department of Labor would administer the Bureau of Employment Security contrary to the interests of employers, looking solely to the interests of workers and ignoring the public interest. Some speculations envisaged greater costs, less efficiency, and a lack of confidence in or use of the employment services by employers if Federal functions are carried out by the Secretary of Labor through the Department of Labor. The minority finds, however, that these sentiments were not supported by any concrete and credible testimony. Not one case of bias or prejudice on the part of the Department of Labor in the administration of its various statutory duties was demonstrated to the committee. The evidence was overwhelming that greater efficiency and effectiveness without any increase in costs would result from the transfer, and, as pointed out the Employment Service was used more extensively

by employers while it was in the Department of Labor from 1945 to 1948 than during any prior peacetime year of operations.

The issue before the Senate is solely one of efficiency and effectiveness of Government operation and organization. The minority believes that this issue and the proposed transfer should be viewed on its merits, consulting facts and not unfounded charges or imputations of prejudice. Unless such a course is followed, the Congress will inevitably base its decisions on emotional pressures, shaping its course as these pressures become evident with respect to every recommendation which the Hoover Commission has made for reorganizing the Government. The minority sees little hope for any constructive action unless forthright consideration of these measures proceeds on a sound basis. The minority regards this proposal to transfer the Bureau of Employment Security to the Department of Labor as soundly supported by the facts and as presenting a clear test as to whether this or any other worthy recommendation of the Hoover Commission can survive the adverse political pressures of the moment during the consideration of these plans by the Congress.

A review of the entire evidence appearing in the record made before the committee in considering Reorganization Plan No. 2 fully substantiates the above summary of the minority's position.

RECOMMENDATIONS OF HOOVER COMMISSION

The Commission on Organization of the Executive Branch of the Government, popularly known as the Hoover Commission, was created under the authority of Public Law 162 of the Eightieth Congress approved July 7, 1947. The membership of the Commission include the Honorable Herbert Hoover, formerly Republican President of the United States, as its Chairman, four members drawn from Congress, and the rest drawn from outstanding individuals in public life, including two employers but no representatives of labor. This Commission was truly bipartisan and impartial and cannot by any means be considered partial to labor. This Commission recommended unanimously, among other recommendations relating to the Department of Labor, that the Bureau of Employment Security now in the Federal Security Agency be transferred to the Department of Labor. This recommendation was made pursuant to the declared objectives of Public Law 162 which included "consolidating services, activities, and functions of a similar nature" of the executive branch of the Government. The Hoover Commission stated that there were "cogent reasons" why this agency and certain other agencies and functions—

should be transferred to the Department of Labor. They are more nearly related to the problems of labor than those with which they are now associated, and their transfer accords with the Commission's first report which recommended that agencies be grouped according to their major purpose.

More specifically as to the reasons for recommending the transfer of the Bureau of Employment Security to the Department of Labor the Hoover Commission stated:

It is now generally agreed by both Federal and State officials that it is desirable to integrate fiscal and administrative review of the two State programs under the supervision of the same Federal department. The placement operations are the primary objectives of this dual arrangement. The paying of unemployment compensation claims is a temporary expedient until the eligible worker can be brought back into the productive labor force. Occupational analysis, testing,

reporting, counseling, and placement standards and procedures are the principal functions involved. These are employment functions.

Employment offices and unemployment compensation are more closely related to each other than to retirement or old-age assistance or educational programs. Both are Federal-State programs dealing with labor force conditions and labor-management relations. These programs have close operating relationships with other employment and labor functions in the Department of Labor—with the Bureau of Labor Statistics, Women's Bureau, the Bureau of Apprenticeship, Wage and Hour Division, the Bureau of Labor Standards, and the Bureau of Veterans' Reemployment Rights. Personnel for these functions all acquire the same basic training in labor and employee relations problems.

The States themselves either place employment security in an industrial commission or labor department, in a department with other labor functions, or organize them independently. In no State are they merged with health, education, or welfare. In addition, more and more States are rewarding employers with good "experience" ratings in providing stable employment. This type of activity ties in directly with the kind of research and planning performed by the State labor agencies and by the Department of Labor, particularly that of its Bureau of Labor Statistics.

An added consideration presented forcefully to the committee by the Hoover Commission report is the policy followed by the Congress over the years of steadily denuding the Department of Labor of its functions during a period in which the labor policies of the Federal Government have expanded broadly. The result has been to set up a host of specialized labor services outside of the Department of Labor, either in independent agencies or as a part of other agencies. Without even considering the various newly created labor functions vested in agencies other than the Department of Labor, past history has revealed the following:

1. The United States Employment Service was transferred from the Department of Labor in 1939 to the Federal Security Agency, where it has remained, except for the period of 1945 to 1948;

2. The Immigration and Naturalization Service transferred from the Department of Labor to the Department of Justice in 1940;

3. Except for the functions of its industrial branch, the Children's Bureau was transferred from the Department of Labor to the Federal Security Agency in 1946; and

4. The United States Conciliation Service of the Department of Labor was abolished and its functions were transferred to an independent Federal Mediation and Conciliation Service by the Labor-Management Relations Act, 1947.

The report concludes that good organization and the prevention of waste, duplication, and conflicts in Federal Government require the transfer of the Bureau of Employment Security to the Department of Labor, as a sincere effort to achieve greater effectiveness and efficiency of departmental and governmental operations.

In view of the outstanding impartial composition of the Hoover Commission and the purposes for which it was created, the burden of proof clearly rests with those who would turn down its recommendations. There must be excellent, well-substantiated facts to prove that the Hoover Commission's recommendations were wrong.

Ample opportunity was afforded by the committee for all individuals and groups to present their various views, both for and against Reorganization Plan No. 2. This was done by means of telegrams, letters, and both written and oral statements and testimony presented at the hearings. The minority has carefully considered the record before the

committee and concludes that the evidence is not of such a character as show that the recommendations of the Hoover Commission were wrong or that the plan is wrong. To the contrary, as shown by the following summary the evidence strongly supported the position taken by the Hoover Commission.

IMPLICATIONS OF MAJORITY REPORT

The majority report of the committee, in disapproving Reorganization Plan No. 2, contains statements the effect of which give the false impression that Reorganization Plan No. 2 is not in accordance with the recommendations of the Hoover Commission. The report states that the Hoover Commission did not recommend a "divergence" from recommendations because it does not merge the Veterans' Employment Service with the Employment Service and fails to include seven entirely separate recommendations of the Hoover Commission for strengthening the Department of Labor.

Regarding the abolition of the Veterans' Placement Service Board and the merger of the Veterans' Employment Service with the Employment Service, the minority presents, for purposes of clarity, the remarks of the Hoover Commission, in full:

VETERANS' EMPLOYMENT SERVICE

At present, the Veterans' Employment Service is nominally a part of the Bureau of Employment Security, but its chief is appointed by the Chairman of the Veterans' Placement Service Board, who is the Administrator of Veterans' Affairs. The need for correction of this anomalous administrative arrangement is evident.

Recommendation No. 6

The functions of the Veterans' Employment Service in the Bureau of Employment Security should be merged with the Employment Service of the Bureau of Employment Security.

From the above it is evident that, since the Veterans' Placement Service Board shapes the policies for the Veterans' Employment Service, no merger would be possible unless the Board is abolished and its functions are transferred to that officer of the Government who would have policy-making responsibilities with respect to the Employment Service. Upon transfer of the Bureau of Employment Security to the Department of Labor, these policy-making functions would reside in the Secretary of Labor. Thus the performance by the Secretary of the functions of the Veterans' Placement Service Board is wholly in accordance with the recommendations of the Hoover Commission.

Reorganization Plan No. 2 would also permit the Secretary of Labor to merge the Veterans' Employment Service with the Employment Service of the Bureau of Employment Security. This is because the plan states that the functions of the Bureau of Employment Security, including the functions of the Veterans' Employment Service—

shall be performed by the Secretary of Labor, or, subject to his direction and control, by such officers, agencies, and employees of the Department of Labor as he shall designate.

Thus it is apparent that the plan is consistent with the merger recommended by the Hoover Commission. It is important to note that these aspects of the plan as well as the abolition of the Veterans' Placement Board has the approval of veterans' organizations.

As to other recommendations of the Commission, there is of course no reason whatsoever why the President should submit in Reorganization Plan No. 2 all of the recommendations for strengthening the Department of Labor. It is obvious that the transfer of the Bureau of Employment Security to the Department of Labor, for example, bears no relation to a proposed transfer of the Selective Service System to the Department of Labor or to the recommendation that the Bureau of Labor Statistics receive coordinated authority to perform research now conducted by several other agencies. Such recommendations of the Hoover Commission are wholly unrelated to the transfer of the Bureau of Employment Security. They involve totally different factual and policy considerations. They must be viewed separately on their own merits. It seems to the minority to be entirely consistent with the Hoover Commission's recommendations to place these separate transfers in another separate plan of reorganization.

THE RECORD BEFORE THE COMMITTEE

1. Interdependence of the Department of Labor and the Bureau of Employment Security

The record before the committee revealed the clear interdependence of the Bureau of Employment Security with the functions of the Department of Labor, with logical and appropriate emphasis upon employment service functions.

The testimony showed that the apprentice-training program, which is administered by the Bureau of Apprentice Training in the Department of Labor, is dependent in large measure on the Employment Service. Local employment offices cooperate in determining emerging labor requirements so that the Apprentice Training Service may plan its program more wisely in terms of the skills which should be encouraged and developed. The general labor market information which the United States Employment Service provides was stressed as very important in this connection, as was the cooperation of the local employment offices in selecting and referring entrants into the labor market, veterans and other workers who are best qualified to benefit from apprentice-training programs. The development of appropriate labor skills under programs sponsored by the Bureau of Apprenticeship was revealed as helping the Employment Service in its task of meeting the labor demands of our industrial system.

It was also brought out at the hearings that the industrial services of the Employment Service include advice on labor standards, such as the physical conditions of the plant, safety practices, and levels of compensation. The work on labor standards for the general labor force was shown to be the responsibility of the Bureau of Labor Standards in the Department of Labor, thus revealing a growing field for cooperation between this Bureau and the Employment Service.

The concern of the Women's Bureau of the Department of Labor with the specialized problems of women in our labor force and the increasing participation of women in the labor market, accelerated during the war years, was emphasized in indicating the importance of a working relationship between the United States Employment Service and the Women's Bureau, not only with respect to labor standards but also with respect to special employment problems. It

was demonstrated that staffs in local employment offices and representatives of the Women's Bureau are important to each other in studying and recommending solutions to employment problems of women workers who have started into new fields of activity.

The Wage and Hour Division of the Department of Labor, which is responsible for the administration of the Fair Labor Standards Act, was shown as needing the information and assistance which can be furnished by the Employment Service in determining the conditions under which the Division will permit limited exemptions from minimum wage requirements for learners and apprentices. This is because such determinations must be made in the light of information on the local supply of skilled labor in the occupations for which certificates for learners and apprentices are sought, going wage rates in the specific occupation, and the hiring specifications of the particular employer involved.

One of the most important phases of cooperation was stated to be in the field of research and statistics. The Bureau of Labor Statistics would be the beneficiary of valuable data from the local public employment offices on area, industrial, and occupational employment opportunities, and characteristics of unemployment, hiring practices, labor market conditions, and related information. Conversely, the benefit to the Bureau of Employment Security of obtaining from the Bureau of Labor Statistics information on wages, hours of work, employment, labor turn-over, work accidents, labor disputes and collective bargaining agreements, and other related data, was clearly presented to the committee. It was explained that the United States Employment Service relies on data available from the Bureau of Labor Statistics to develop the working tools, employment counseling materials, and other information which must be provided to local employment offices throughout the country.

Furthermore, counseling veterans as to their rights to reemployment upon their return to civilian life was also testified to as an important aspect of the provisions of adequate employment services. The committee was informed that the work of the Bureau of Veterans' Reemployment Rights in the Department of Labor is carried on in many instances through field representatives whose work must be closely tied in with the local public employment offices.

None of this testimony was contradicted in any respect and received additional support from the Hoover Commission task force report on public welfare prepared by the Brookings Institution. Although this report very properly refrains from making a specific recommendation as to where the Bureau of Employment Security should be located, it nevertheless points out all of the impelling considerations which would require the Bureau to be placed in the Department of Labor (rept., pp. 440, 441, and 442):

* * * The organizational issue is therefore primarily a question of location and coordination. The main points of controversy were (1) whether employment security should be administered in connection with other labor and employment-relations functions, rather than in connection with other social security, educational, and public-health functions; (2) whether the Secretary of Labor should be entrusted with administering the certification and administrative functions under title III of the Social Security Act when he is charged with "fostering and promoting the welfare of wage earners and their opportunities for profitable employment."

With respect to the first point:

1. Employment offices and unemployment compensation are more closely related to each other than to other social security, educational, or public health programs. Both are Federal-State programs dealing with problems of employers and employees, hiring and lay-off, job stabilization, personnel, and labor-management relations. Neither has any comparable relations to public assistance or grants to States for education and public health. Old-age and survivors insurance is a completely Federal program, with different coverage and different administrative procedures from unemployment compensation. Insofar as old-age insurance might be merged with unemployment compensation as to coverage, it would have a closer administrative relation to wage experience and conditions of employment than to education, public health, or public assistance.

2. Employment security has close operating relationships with other employment and labor functions: In research with the Bureau of Labor Statistics and the Women's Bureau, in training with the Apprentice Training Service, in conditions of employment with the Wage and Hour Division and the Bureau of Labor Standards.

3. In the States, the employment security agency is not located in the State welfare, health, or education department, but is either located in the State industrial commission or labor department (15 States), in a department with other labor functions (6 States), or in an independent employment security or unemployment compensation commission (30 States). The States thus either consider employment security as an employment function requiring coordination with other such functions, or give it a separate status. They do not merge it with public assistance, health, or education.

4. Personnel engaged in employment service and unemployment compensation problems acquire the same basic training, familiarity, and experience with labor and employee relations problems, and do not develop professional interest or concern with problems and techniques of public health, education, or welfare administration. Neither employers nor employees wish public policies concerning their interests to be administered from a professional social worker viewpoint.

5. The Employment Service (together with unemployment compensation) is a vital and necessary segment of the functions of any agency charged with administering Federal policies with respect to the labor market, working conditions, and labor-management relations.

2. The cost of operations of the Bureau of Employment Security in the Department of Labor

The testimony is replete with evidence that it will be possible, when the Bureau of Employment Security is placed in the Department of Labor, to coordinate the Employment Service functions with those of other bureaus of the Department on a day-to-day basis, thus making a sizable reduction in the amounts which have to be paid out to unemployed workers in the form of unemployment compensation. Although some charges were made as to increased costs, particularly with reference to the regional operations of the Bureau of Employment Security, the record shows that the Department of Labor maintains field offices and regional staffs in as many cities as does the Federal Security Agency and that all except one of the cities are identical. Thus it would appear that, with minor adjustments, the Department of Labor can operate as efficiently and effectively in the field as the Federal Security Agency does at the present time.

The testimony was emphatic that it will not cost any more to administer the Bureau of Employment Security in the Department of Labor for the present work load and that the close day-to-day working of the interdependent bureaus of the Labor Department and the bureau of Employment Security will give the Government more efficient and more effective use out of every dollar invested in the bureaus now in the Department of Labor as well as in the Bureau of Employment Security.

3. *Other effects of the transfer*

The record before the committee effectively refutes miscellaneous charges of prejudice on the part of the Department of Labor and the various contentions that, as a result, the Department of Labor will lose the confidence of employers in the Employment Service, or weight its policies to favor labor by requiring payment of unemployment benefits to strikers, by changing or abolishing the merit rating system or by other measures.

No evidence before the committee revealed any specific instances of bias or prejudice on the part of the Department. The testimony of the Honorable Herbert Hoover on this subject is worth noting:

I do not think any reasonable employer would have prejudices on that account. In any event, I do not see any differences which will arise in the administration of a bureau wherever it is. I do not believe that an employer ought to have any less confidence in the objectivity of the Labor Department than the Federal Security Agency. If there is such criticism the employer ought to realize that these bureaus placed in the Labor Department will be under the more vivid searchlight of public opinion, than if in the Federal Security Agency, whose major purposes are not related to the subject * * *.

I do not believe that the Labor Department is a prejudiced Department advocating one aspect of American life any more than the Department of Commerce. We have to believe that the departments of the Government are going to act on behalf of all the citizens of the country, and that the searchlight of public opinion and the action of Congress will keep them on that track. Certainly I do not like to see a poor administrative structure just because of prejudice.

The Secretary of Labor gave full assurances that the Bureau of Employment Security will be operated in the Department of Labor in the same impartial manner as it now operates and by the same impartial personnel, including the present Director, Mr. Goodwin, who now operates it. The Secretary called attention to the Federal Advisory Council established by the Wagner-Peyser Act and to his request that this Advisory Council, which now advises only as to the Employment Service, also act in the future as to all matters pertaining to unemployment compensation. The evidence showed that this Council has by statute the purpose—

of formulating policies and discussing problems relating to employment and insuring impartiality, neutrality and freedom from political influence in the solution of such problems.

The Council has, by statute, the right of—

access to all the files and records of the United States Employment Service.

The Council is composed of 35 men and women representing employers and employees in equal numbers and the public, all of them leading citizens of the United States. The Secretary stated that he would be under a statutory duty to consult the Council, if the plan is approved, thus giving added assurance of impartiality.

The record also made it clear that the authority of the Secretary of Labor stems from many different statutes covering various fields of departmental activity, each statute to be interpreted solely in the light of its specific language. Examples of these statutes were the Davis-Bacon Act, the Walsh-Healey Public Contracts Act, certain child labor provisions of the Fair Labor Standards Act, the statute creating the Women's Bureau, the various statutory provisions which create and give authority for the operation of the Bureau of Labor Statistics, the provisions of the Selective Service Act of 1940 which relate to veterans' reemployment rights and statutory provisions

prescribing the duties of the Secretary of Labor with respect to apprentice training.

Similarly, it was pointed out that the administration of the Bureau of Employment Security must be governed solely by the provisions of the Wagner-Peyser Act, the Servicemen's Readjustment Act, the Social Security Act, and the Federal Unemployment Tax Act. If the Bureau should be transferred to the Department of Labor, then it was made abundantly clear that the Secretary of Labor must be guided by these statutes and these statutes alone in formulating policies and making determinations with respect to employment service and unemployment compensation.

These statutes leave the administrator with comparatively little discretion as to State activities. As long as the State laws and the State operations meet the specific standards set out in the Federal law the State systems must be approved by the Federal Government and Federal aid must be granted to the States. Since the Federal law, for example, specifically leaves to the States the question of paying unemployment benefits to strikers, no funds may be denied to the States because they do not permit such payments.

With regard to experience rating, the testimony was abundantly clear that, for all practical purposes, the State officials can read the provisions of the Federal statute, submit a plan for experience rating, complying with the standards of the statute and that plan must be approved. For example, the Federal Unemployment Tax Act provides for a 3 percent tax on employers' pay rolls. All except three-tenths of 1 percent of this tax may be offset by payments made by the employer under the State law. The Federal law in addition provides that the employer shall be allowed credits with respect to a reduced rate permitted by State law on an experience-rating basis. This is for the purpose of encouraging the experience-rating system. The Federal law spells out clearly defined standards which the experience-rating system must meet. When these standards are met additional credits must be allowed within the range between zero percent and 2.7 percent.

Under the above circumstances it is apparent that no administrative agency can legally abolish the experience rating system or prevent any State from adopting such a system. The protection for the system has been written by the Congress into the law. Congress alone may change or abolish this protection. Neither the Federal Security Agency nor the Department of Labor may do so.

The minority found no foundation for the claim that employers would be reluctant to use the employment service if it were in the Department of Labor. One of the witnesses who advanced these charges, for example, nevertheless freely admitted that the Bureau of Labor Statistics in the Department of Labor had the complete confidence of employer groups. He stated that:

The Bureau of Labor Statistics has over the years developed a reputation for such objectivity and its findings are generally accepted by management, by labor, and by other groups. It has gone out of its way to consult outside impartial experts to test its performance.

The Secretary of Labor testified that—

more than 40,000 employers, both large and small, have cooperated with the Department in establishing more than 40,000 apprentice programs having approximately 250,000 apprentices under training. Many management associations, colleges,

universities, and labor organizations have requested and received special study data from the Bureau of Labor Statistics at cost. Hundreds of thousands of employers regularly cooperate with the Department in supplying it with information necessary to its Bureau of Labor Statistics program.

This contention that employers would fail to use these services in the Department of Labor is, in the opinion of the minority, effectively laid at rest by the undisputed fact, developed at the hearings that the job orders and placements recorded in the official records of the Employment Service in the years 1945-48 (when the Employment Service was in the Department of Labor) show that employers used this service more than at any other peacetime year since the Wagner-Peyser Act was enacted in 1933. In this connection Mr. Goodwin, Director of the United States Employment Service while it was in the Department of Labor and present Director of Employment Security testified that while he was in the Department of Labor he had been under no pressure from the Secretary of Labor or other officials to do other than an impartial and unbiased job. Even witnesses who opposed the plan were frank to admit that Mr. Goodwin has administered the program with complete impartiality.

CONCLUSION

The minority believes that the above facts presented from the record speak eloquently by themselves in favor of Reorganization Plan No. 2. The position of those supporting Senate Resolution No. 151 is, in our judgment, untenable. On at least two prior occasions this issue has been presented in whole or in part to the Senate. In 1947, when the proposal was to place the Employment Service permanently in the Department of Labor, not one employer objected to the plan. In 1948 when the proposal was to place the Bureau of Employment Security in the Department some employer spokesmen expressed the same general fears as are found in the present record but the committee considering the matter at that time concluded that—

No testimony before the committee reveals a single instance, or any other concrete evidence, to support the fear that prejudice would govern the actions of the Department of Labor in the administration of the subject programs.

Nothing new or different has been added by the present record to support the opposition to the present plan.

On the other hand, the Hoover Commission has in the meantime spent almost 2 years and almost \$2,000,000 of the taxpayers' money making at the express direction of the Congress an intensive and detailed study of effective Government organization. It has made its recommendations, one of which is embodied in plan No. 2, and it has supported the plan with the most detailed factual report which has ever been presented to any Senate committee on this subject. If the plan is disapproved by the Senate in the light of the record made before the committee, the minority can only conclude that unfounded fears have prevailed over common sense and sound Government organization.

HUBERT H. HUMPHREY.

The letter from the Chief Commissioner of the Indian Claims Commission follows:
 INDIAN CLAIMS COMMISSION,
 Washington, D. C.

HON. JOHN L. MCCLELLAN,
 Chairman, Committee on Expenditures
 in the Executive Departments,
 United States Senate,
 Washington, D. C.

DEAR SENATOR MCCLELLAN: Your letter of May 23 has been received together with the enclosed two printed documents based on reports and task-force appendixes of the Commission on Organization of the Executive Branch of the Government. We have noted the request in your letter for a report from this establishment relative to the application of the various recommendations and textual discussions in the Commission reports which affect our establishment either directly or indirectly, and have also noted your statement that you are interested in obtaining our comments relative to prospective implementation of recommendations contained in such reports.

The printed documents above referred to which were enclosed in your letter do not contain any reference to the Indian Claims Commission or any recommendations which appear to affect it.

The Indian Claims Commission is judicial in character and is a temporary organization, limited to an existence of 10 years from April 10, 1947. Public Law 726, Seventy-ninth Congress, chapter 959, second session, by which the Commission was created and established provides that the Commission shall have jurisdiction to hear and determine certain designated claims against the United States on behalf of any Indian tribe, band, or other identifiable group of American Indians residing within the territorial limits of the United States or Alaska.

When the enacting clause of the bill creating the Indian Claims Commission was originally drawn, it contained a provision that "there is hereby created and established an independent agency of the executive branch of the Government, to be known as the Indian Claims Commission." (Hearings before the Committee on Indian Affairs, House of Representatives, 79th Cong., 1st sess., p. 140).

This was amended by Congress by striking out the above underscored language, with the explanation for this amendment as follows:

"The amendment here suggested would delete language which appears to have no legal significance and is not entirely consistent with the functions of the proposed Indian Claims Commission. The Commission would in effect serve as the agent of the Congress to pass upon the merits of Indian tribal claims, and its final determinations would be embodied in reports to the Congress. Its work would be adjudicatory in character, its procedures would follow those of the legislative courts established by the Congress, and its determinations would not be subject to executive control."

The Indian Claims Commission is a small agency at present, comprising but 11 persons, including the three Commissioners. Its personnel, supply, and accounting activities are relatively simple, and do not appear to require a change from present methods.

The concluding report of the Commission on Organization of the Executive Branch of the Government, submitted to the Congress on May 20, 1949, contains on page 71 the following:

"M. SOCIAL SECURITY, EDUCATION, INDIAN AFFAIRS

"We recommend that the Federal Security Agency be abolished and that a new department of Cabinet rank be created to include the following activities:

"3. A service to include the activities of the Bureau of Indian Affairs to be trans-

ferred from the Interior Department. The Indian Claims Commission should be attached to the Indian Affairs Service as an appeal board with independent powers of review on Indian Claims." A footnote states, "This recommendation is made here for the first time and does not appear in any other Commission report."

We respect the services rendered by the Commission on the Organization of the Executive Branch of the Government but we are constrained, respectively, to disagree with this recommendation. This Commission is endeavoring to perform the work of hearing and determining the claims of Indian tribes, bands, and other identifiable groups of American Indians, in strict accordance with the provisions of the law under which it was created. It has established and promulgated rules of procedure governing the presentation hearing, and determination of said claims. Many petitions have been filed pursuant to the statute and in compliance with the rules of procedure, and numerous hearings have been held. Rulings have been made on a variety of subjects, a number of claims have been determined, formal opinions have been written and published, and in several instances appeals have been taken from the Commission's decisions to the Court of Claims in accordance with the provisions of the law establishing the Commission. If this Commission's functions are changed to those of an appellate or reviewing body, another establishment necessarily must be created to conduct the proceedings which this Commission shall review. This Commission is now functioning in an orderly manner in the carrying out of the duties with which Congress has charged it, and it is our opinion that no good purpose would be served in making the change recommended in the concluding report above referred to.

It is the desire of this Commission to cooperate with you and the above comments are respectfully submitted in line with this desire.

Sincerely yours,

EDGAR E. WITT,
 Chief Commissioner.

AMENDMENT OF VETERANS' PREFERENCE ACT OF 1944 RELATING TO CERTAIN MOTHERS OF VETERANS

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 974) to amend the Veterans' Preference Act of 1944 with respect to certain mothers of veterans, which was, on page 2 line 3, to strike out "legally."

Mr. TYDINGS. Mr. President, the message which the Chair has laid before the Senate concerns a private bill dealing with a matter upon which the Senate has already acted. One word has been changed by the House, which has no widespread effect. I therefore move that the Senate concur in the House amendment.

Mr. WHERRY. Mr. President, will the Senator explain the amendment in more detail?

Mr. TYDINGS. This is a bill which gives a preference to a widow who has lost her only son in the service of the United States. The House struck out the word "legally," which means if she is separated from her husband, and depending on herself only for support, she gets the preference.

Mr. WHERRY. I have no objection.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Maryland.

The motion was agreed to.

PATENT IN FEE TO LEO FARWELL GLENN

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 520) to authorize and direct the Secretary of the Interior to issue to Leo Farwell Glenn, a Crow allottee, a patent in fee to certain lands, which was, on page 2, line 5, after "acres" to insert a colon and the following proviso:

Provided, That when the land herein described is offered for sale, the Crow Tribe, or any Indian who is a member of said tribe, shall have 90 days in which to execute preferential rights to purchase said tract at a price offered to the seller by a prospective buyer willing and able to purchase.

Mr. O'MAHONEY. Mr. President, this is a House amendment to a Senate bill granting a patent in fee to a Crow Indian. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

PATENT IN FEE TO JOHN GRAYEAGLE

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 1361) to authorize and direct the Secretary of the Interior to issue to John Grayeagle a patent in fee to certain land, which was, in line 9, after "25" insert a colon and the following proviso:

Provided, That when the land herein described is offered for sale, the Standing Rock Sioux Tribe, or any Indian who is a member of said tribe, shall have 90 days in which to execute preferential rights to purchase said tract at a price offered to the seller by a prospective buyer willing and able to purchase.

Mr. WHERRY. Mr. President, reserving the right to object, will the distinguished Senator inform the Senate what this bill is?

Mr. O'MAHONEY. It is a Senate bill to authorize the Secretary of the Interior to issue a patent in fee to an Indian.

Mr. WHERRY. I have no objection.
 Mr. O'MAHONEY. Mr. President, I move that the Senate concur in the House amendment.

The motion was agreed to.

ADDITION OF CERTAIN LANDS TO BIG BEND NATIONAL PARK, TEX.

Mr. O'MAHONEY. Mr. President, I submit a conference report on House bill 2877, to authorize the addition of certain lands to the Big Bend National Park in the State of Texas, and I ask unanimous consent for its immediate consideration.

The PRESIDENT pro tempore. The report will be read for the information of the Senate.

The report was read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2877) to authorize the addition of certain lands to the Big Bend National Park, in the State of Texas, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the language inserted by the Senate amendment insert the following: "*Provided, however*, That the aggregate cost to the Federal Government of properties acquired hereafter and under the pro-

visions hereof shall not exceed the sum of \$10,000"; and the Senate agree to the same.

JOSEPH C. O'MAHONEY,
J. E. MURRAY,
CLINTON P. ANDERSON,
HUGH BUTLER,
E. D. MILLIKIN,

Managers on the Part of the Senate.

J. HARDIN PETERSON,
JOHN R. MURDOCK,
KEN REGAN,
FRED L. CRAWFORD,
WM. LEMKE,

Managers on the Part of the House.

The PRESIDENT pro tempore. Is there objection to the present consideration of the conference report?

There being no objection, the report was considered and agreed to.

Mr. WHERRY subsequently said: Mr. President, may I inquire about the nature of the report.

Mr. O'MAHONEY. It relates to the Big Bend National Park in Texas. The Senate amended the House bill so as to provide that the land purchased should not involve more than \$10,000; and the conferees on the part of the House accepted the amendment, with a little adjustment.

SALE OF PUBLIC LANDS IN ALASKA

Mr. O'MAHONEY. Mr. President, I submit a conference report on House bill 2859, to authorize the sale of public lands in Alaska, and I ask unanimous consent for its immediate consideration.

The PRESIDENT pro tempore. The report will be read for the information of the Senate.

The report was read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2859) to authorize the sale of public lands in Alaska, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses, as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same.

JOSEPH C. O'MAHONEY,
ERNEST W. McFALLAND,
E. D. MILLIKIN,
GUY CORDON,

Managers on the Part of the Senate.

J. HARDIN PETERSON,
LLOYD M. BENTSEN, Jr.,
FRED L. CRAWFORD,

Managers on the Part of the House.

The PRESIDENT pro tempore. Is there objection to the present consideration of the conference report?

Mr. WHERRY. Mr. President, reserving the right to object, will the distinguished Senator from Wyoming give us a brief statement regarding this matter?

Mr. O'MAHONEY. Yes. The bill authorizes the Secretary of the Interior to sell public lands in Alaska. When the bill came to the Senate, and was referred to the Committee on Interior and Insular Affairs, the committee felt that the proposed grant of authority was a little broader than should be made. So the committee rewrote the bill so as to limit the power to the sale of tracts not to exceed 160 acres in the aggregate. The House has accepted the Senate amendment.

Mr. WHERRY. I have no objection. The PRESIDING OFFICER. Is there

objection to the present consideration of the report?

There being no objection, the report was considered and agreed to.

PREMIUM PAYMENTS IN PURCHASE OF CERTAIN GOVERNMENT ROYALTY OIL—CONFERENCE REPORT

Mr. O'MAHONEY. Mr. President, I submit a conference report on Senate bill 1647, to eliminate premium payments in the purchase of Government royalty oil under existing contracts, and I ask unanimous consent for its immediate consideration.

The PRESIDENT pro tempore. The report will be read for the information of the Senate.

The report was read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1647) to eliminate premium payments in the purchase of Government royalty oil under existing contracts entered into pursuant to the act of July 13, 1946 (60 Stat. 533), having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of section 3 proposed to be stricken out by the Senate insert the following:

"Sec. 3. The Secretary of the Interior is hereby authorized under general rules and regulations to be prescribed by him to issue leases or permits for the exploration, development, and utilization of the mineral deposits, other than those subject to the provisions of the act of August 7, 1947 (61 Stat. 913), in those lands added to the Shasta National Forest by the act of March 19, 1948 (Public Law 449, 80th Cong.), which were acquired with funds of the United States or lands received in exchange therefor: *Provided*, That any permit or lease of such deposits in lands administered by the Secretary of Agriculture shall be issued only with his consent and subject to such conditions as he may prescribe to insure the adequate utilization of the lands for the purposes set forth in the act of March 19, 1948; and *Provided, further*, That all receipts derived from leases or permits issued under the authority of this act shall be paid into the same funds or accounts in the Treasury and shall be distributed in the same manner as prescribed for other receipts from the lands affected by the lease or permit, the intention of this provision being that this act shall not affect the distribution of receipts pursuant to legislation applicable to such lands."

And the Senate agree to the same.

JOSEPH C. O'MAHONEY,
ROBERT S. KERR,
GUY CORDON,

Managers on the Part of the Senate.

CLAIR ENGLE,
KEN REGAN,
FRANK A. BARRETT,

Managers on the Part of the House.

The PRESIDENT pro tempore. Is there objection to the present consideration of the conference report?

There being no objection, the report was considered and agreed to.

REORGANIZATION PLAN NO. 2, 1949—TRANSFERRING THE BUREAU OF EMPLOYMENT SECURITY

The Senate proceeded to consider the resolution (S. Res. 151) disapproving Reorganization Plan No. 2 of 1949.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. WHERRY. Does not the unanimous-consent agreement include a provision that the time is to be apportioned equally between the proponents and the opponents of Senate Resolution 151?

The PRESIDENT pro tempore. That is correct.

Mr. WHERRY. May I inquire who is in charge of the division of the time?

The PRESIDENT pro tempore. The Senator from Arkansas [Mr. McCLELLAN] is in charge of the time for those Senators who favor the resolution and the Senator from Minnesota [Mr. HUMPHREY] is in charge of the time for those who are opposed to the resolution.

Mr. HUMPHREY. I understand the debate is to be concluded in time to vote at 5 o'clock.

The PRESIDENT pro tempore. That is correct.

Mr. McCLELLAN. Mr. President, I believe there will be 2½ hours at the disposal of each side.

The PRESIDENT pro tempore. The Senator is correct.

Mr. McCLELLAN. I yield 30 minutes to the senior Senator from New York [Mr. Ives].

The PRESIDENT pro tempore. The Senator from New York is recognized for 30 minutes.

Mr. IVES. Mr. President, because I am speaking against time, and because the thought in my presentation is rather closely knit, I shall not yield for questions until the completion of my prepared address. Then, time permitting, I shall be very glad to yield to such questions as any Senator may desire to ask, and I hope that I may be able to answer any questions which may be propounded.

Mr. President, no question is likely ever to come before the Senate on which the pros and cons seem, at casual glance, to be so evenly matched as would appear to be the case in Reorganization Plan No. 2.

At the outset, it is recognized generally that the United States Employment Service and the Unemployment Insurance Service should be within the same agency of Government. Furthermore, it is recognized that at this particular time everything which can be done appropriately to strengthen and improve the status of the Department of Labor should be done.

It should be pointed out, however, that the recommendations of the Chief Executive contained in Reorganization Plan No. 2 do not constitute the complete transfer of agencies and functions to the Department of Labor as recommended by the Commission on Organization of the Executive Branch of the Government, commonly known as the Hoover Commission. In its report to the Congress the Commission recommended, in addition to the transfer of the Bureau of Employment Security—including the Bureau of Veterans' Reemployment Rights or the Veterans' Employment Service, as it is also termed, the merger of which with the Employment Service itself can be effected within the Federal Security Agency and without the adop-

tion of any reorganization plan—the transfer of the following agencies:

First. The Bureau of Employees' Compensation—from the Federal Security Agency.

Second. The Employees' Compensation Appeals Board—from the Federal Security Agency.

Third. The Selective Service System, including the appeals boards—independent.

Fourth. Enforcement of labor standards—from contracting departments and agencies.

Fifth. Determination of minimum wages for seamen—from the United States Maritime Commission.

Sixth. Prevailing wage research—centered in the Bureau of Labor Statistics.

Seventh. Certain components of the Division of Industrial Hygiene—from the Bureau of State Services of the Public Health Service in the Federal Security Agency.

With one exception, I agree with these seven recommendations of the Hoover Commission, none of which is included in Reorganization Plan No. 2. Reasons for them are briefly stated in the Commission's own language, as follows:

There are cogent reasons why these agencies and functions should be transferred to the Department of Labor. They are more nearly related to the problems of labor than those with which they are now associated, and their transfer accords with the Commission's first report, which recommended that agencies be grouped according to their major purpose.

The exception I take to these seven recommendations is expressed in the dissent filed with that recommendation which would place the Selective Service System, including the appeals boards, within the Department of Labor.

It is to be noted, moreover, that in submitting Reorganization Plan No. 2, the Chief Executive not only failed to include a substantial portion of the Hoover Commission's recommendations pertaining to this plan, but he added new provisions not contained in the Commission's recommendations. The Commission did not recommend the abolition of the Veterans' Placement Service Board, but recommended the merger of the functions of the Veterans' Employment Service with the Employment Service of the Bureau of Employment Security, of which it is a part. Furthermore, the Commission made no recommendation concerning the Federal Advisory Council, which is incorporated in Reorganization Plan No. 2.

It seems to me most advisable in instances where only certain portions of a particular recommendation of the Hoover Commission's recommendations are proposed for adoption and others are ignored, that each one of those proposed should be carefully evaluated on its own merit. In this connection, it should be emphasized that on one other occasion the present Chief Executive proposed the transfer of the Employment Service and the Unemployment Insurance Service from the Federal Security Agency to the Department of Labor and the proposal was vetoed by the Congress.

In favor of Reorganization Plan No. 2 is an appealing array of arguments.

Former President Hoover himself recommends it, and it constitutes a part of the over-all recommendations of the Hoover Commission, as I have already stated, pertaining to the transfer of agencies to the Department of Labor. The field of Employment Service, alone and of itself, would seem more properly to belong in the Department of Labor than in any other agency of Government; for in theory, at least, the Department of Labor, in fulfilling its statutory obligation to foster, promote, and develop the welfare of the wage earners of the United States and to advance their opportunities for profitable employment, would seem naturally to be the appropriate instrument of Government to administer the placement functions of the Employment Service.

On the other hand, it seems to me that right now the weight of argument favors retention of the Employment Service and the Unemployment Insurance Service in the Federal Security Agency. Reorganization Plan No. 2, as I have indicated, complies only in part with the recommendations of the Hoover Commission, and was not specifically recommended by the task force of that Commission which stated its position as follows:

The nature of this issue regarding the proper location of the Federal agency administering the Employment Service and unemployment compensation precludes its settlement on a purely factual basis, and in the last analysis this judgment must be exercised by the duly elected representatives of the people.

There is just as good reason, moreover, for keeping the Unemployment Insurance Service in the Federal Security Agency as for placing the Employment Service in the Department of Labor. After all, unemployment insurance would seem to be most definitely a part of our over-all social-security system.

Unemployment insurance constitutes one feature of an almost completely integrated social-security program now lodged in the Federal Security Agency. This agency, which deals with the individual citizen as a human being, is interested in improving health and educational opportunities, and in furthering economic security. It would seem only natural, therefore, that all functions which concern the social welfare of our citizens as individual human beings properly belong in a single agency.

Collectively, and as related to employment, compensation in the event of unemployment, compensation during temporary disability due to accident or sickness, extended disability benefits if provided, old-age insurance, survivors benefits, and assistance for those not eligible for insurance benefits are inevitably closely related and provide in effect such economic security as is thus far available through the instrumentality of our Government. They form, moreover, component parts of what would be a single integrated program.

When we examine further into the issues in dispute in this matter, we can appreciate more fully the weight of the argument in behalf of the retention of the Unemployment Insurance Service in the Federal Security Agency for the time being at least. Unemployment insurance

is not merely a system of tax collection and benefit distribution from the funds thus accumulated. It is, and has become more and more, an insurance system which it very properly should be in our free competitive enterprise economic structure.

This fact having been recognized 14 years ago, what is known as experience rating was adopted as an important element in unemployment insurance. In brief, experience rating is that mechanism by which the rate of tax or contribution by employers is determined by the employers' record in maintaining stability of employment—the greater the stability, the lower the rate of contribution. This system of graduated tax or contribution consists primarily of a standard requirement of a 3 percent tax on pay rolls paid by employers, one-tenth of which is a fixed charge payable to the Federal Government for administrative purposes, the other nine-tenths of which may be reduced on the basis of experience with respect to unemployment or other factors bearing a direct relation to unemployment risk, as provided in section 1602 of the Internal Revenue Code.

Over the years, experience rating has been adopted in all 48 States of the Union. It has become an established policy in unemployment insurance. It has served as an incentive to employers to provide steady employment. Its use has demonstrated the justification for its existence, although it has become more and more evident that not all plans of experience rating are equally sound. Employers, with few exceptions, favor the principle of experience rating and have come to oppose any move on the part of Government which would seem to threaten its existence.

At the same time, organized labor has not appeared for the most part to favor any form of experience rating. I can appreciate labor's attitude in this connection, for I can well understand labor's apprehension. Labor fears in the first instance that careless operation of or inadequate provisions in any experience rating formula could jeopardize the solvency of unemployment insurance funds. Furthermore, labor feels that chances for liberalizing the benefit provisions in unemployment insurance are less with experience rating than without it. I cannot share labor's apprehension in this latter connection, for the amount and duration of benefits have been increasing rather than decreasing; but I do fully recognize the danger of fund-impairment where formulas or administration are inadequate or inefficient. I am constrained to observe, however, that placing the Unemployment Insurance Service in the Department of Labor can provide no greater assurance regarding the sanctity of the unemployment insurance funds.

Possibly because of these conditions Secretary Tobin has stated that the policy of the Labor Department with respect to the retention or abolition of the experience rating system has not been determined, and that he would not care to give a decision on this matter until—he has—studied the facts more fully. This attitude on the part is understand-

able, but it nevertheless appears to occasion considerable apprehension among employers who, in spite of the fact that the Federal Security Agency has advocated the abolition of experience rating, would seem to prefer that the Unemployment Insurance Service remain in the latter agency. I assume that these employers feel that the Department of Labor might be more aggressive and might be able to exercise more influence upon the Congress than would the Federal Security Agency.

Be the situation as it may appear to be, a number of important facts remain which are incontrovertible where the proposed transfer of these two services to the Department of Labor is involved.

First. Rightly or wrongly, employers do fear the consequences of such a transfer. They seem to feel that the status of unemployment insurance itself, and especially experience rating, would be in jeopardy.

Second. Administrative interpretation, applicable to the term "other factors" in section 1602 of the Internal Revenue Code, could virtually eliminate experience rating, or the possibility of an experience rating plan worthy of the name, from nearly every State in the Union. While the law provides that experience rating systems or plans may be established according to general specifications, it leaves with the administrative agency the actual determination of the "factors" to be considered in the establishment of these systems. This broad latitude for interpretation which is thus given to the administrative agency, emphasized as it is by the vast number of regulations which already have been promulgated by the Federal Security Agency in dealing with the matter, indicates the power of determination which the law itself actually vests in the Administrator or the administering agency.

Third. Unemployment insurance, while created principally for the benefit and protection of employees, is of equal concern to management and ownership who constitute its chief contributors. It is the product of partnership between workers, management, and ownership, the primary purpose of which is to protect the workers through cooperative support by management and ownership. In effect and in reality, unemployment-insurance funds belong as much to management and ownership as to the workers themselves.

Fourth. A basic controversy is now taking place in the country with regard to the future status of unemployment insurance. Should it remain as it is, partly in the Federal Government and partly in the States? Should it be operated and administered exclusively by the Federal Government? Or should it be returned wholly to the States? Presumably some States with substantial unemployment-insurance funds would prefer to have this governmental service returned to them; presumably other States, whose funds may be impaired or depleted, would desire that it remain in status quo, or even be taken over entirely by the Federal Government. Thus far there seems to be no predominant opinion in this controversy.

Fifth. Rightly or wrongly, employers seem to feel also that, if the proposed transfer were to be made, the value of the Employment Service would be damaged, due to an ensuing lack of cooperation between the Department and employers where placement is concerned. They believe that in administering the Employment Service, the administrator or administering agency would assume even greater discretion and would be able to exercise even greater control in directing the State systems than would be the case in the matter of Unemployment Insurance. I do not join in or dispute the provocation for this attitude on the part of employers, but as witnesses at the hearing pointed out, the important fact is that the attitude exists and that it might constitute a detriment to the satisfactory functioning of the Employment Service.

Sixth. The placement function in the Employment Service primarily fulfills the purpose of the Department of Labor to advance opportunities for profitable employment, but the fact remains that private employers and not the Department of Labor must provide the employment and that, unless there is a cooperative attitude between employers and the Employment Service, this service cannot function effectively or successfully.

Seventh. Regardless of present dispute or controversy concerning alleged advantages or disadvantages in placing the Employment Service and the Unemployment Insurance Service in the Department of Labor, the indisputable fact stands out that the functioning of these services, located as they have been and are at the present time, appears to have occasioned no reasonable criticism concerning their administration by the Federal Security Agency, and the proposed change seems clearly to be advocated for the main purpose of increasing the functions and activities of the Department of Labor.

Eighth. Placing the Employment Service and the Unemployment Insurance Service in the Department of Labor would undoubtedly enhance the prestige of that Department, but failure thus to act would in no way jeopardize the existence of the Department itself. There may be those who would like to see the Department of Labor abolished, but I have never heard advocacy of such action by any Member of the Congress, and all of us know that any attempt to eliminate the Department of Labor would meet with overwhelming opposition in the Congress.

Ninth. Obvious indications are that the Department of Labor is not now prepared to undertake in full the administration of the Unemployment Insurance Service. Testimony by the Secretary of Labor reveals beyond question that the attitude of the Department toward the status of this particular agency of Government is very much in doubt.

Tenth. There is no indication that the proposed transfer of these services would be conducive in any way to economy in administration. To the contrary, there is evidence that the net cost of admin-

istration in such event would actually increase. Clearly, this proposed move cannot be construed as one which should be made in the name of economy.

There may be some who will dispute the accuracy of these 10 statements of fact as I see them to be, but I believe that these statements are substantially correct.

Last year I opposed an Executive order which would have accomplished the results which are sought in Reorganization Plan No. 2. I had felt that this question required further and more intensive study. It seemed to me that the Congress should await the recommendations of the Hoover Commission. I had hoped to be able to support these recommendations wholeheartedly. I have felt that it would be advisable ultimately to place the Employment Service and the Unemployment Insurance Service in the Department of Labor. I have hoped that when the time might arrive for making this transfer, the Department of Labor would be in a position properly to receive these two services and to supervise their functioning.

However, as I have stated, we now find that the Department of Labor, instead of being prepared to receive the Unemployment Insurance Service, contemplates a study of the whole question of unemployment insurance, presumably for the purpose of ascertaining what position the Department should take with respect to experience rating and perhaps with regard to the question of the complete federalization of unemployment insurance itself. In other words, the Department of Labor does not appear to be prepared to assume the responsibility entailed in this proposed transfer.

Moreover, as I have pointed out, Reorganization Plan No. 2 follows only in limited degree the Hoover Commission's recommendations. In fact, the Commission's task force, after careful analysis, appears to have reached no final conclusion beyond advising that "judgment must be exercised by the duly elected representatives of the people."

Furthermore, the Senate's rejection yesterday of Reorganization Plan No. 1 leaves the status of the Federal Security Agency substantially unchanged. And yet, as was indicated during the debate on plan No. 1 and by action already taken by the Senate Committee on Expenditures in the Executive Departments with respect to Senate bill 2060, there is every indication that the Federal Security Agency's status will be changed in a future year, perhaps relatively near at hand. Disapproval of the precise plan submitted by the Chief Executive does not mean at all that there is no general need or desire for reorientation where the welfare and health and education services of our Government are concerned. I feel sure that efforts in this direction will continue, and I feel equally sure that they will result finally in appropriate action of the type indicated.

In the meantime, because of the continuing status of the Federal Security Agency, and because of the presently apparent uncertainty on the part of those in charge of the Department of Labor, and because of the attitude of one of the

chief parties in interest, the employers, and withal, because no question of economy is involved, it would seem only sensible and in the best public interest to continue the United States Employment Service and the Unemployment Insurance Service in their present position in our governmental structure until the controverted issues shall have been satisfactorily resolved.

For these reasons, I shall vote in favor of Senate Resolution 151.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. IVES. I yield.

Mr. VANDENBERG. I have such profound respect for the Senator's views in this area of legislation that I desire to submit two questions to him for my information, first stating that I would do nothing to jeopardize merit rating under any circumstances in connection with unemployment compensation.

Will the Senator indicate to me to what extent State control is autonomous in respect to merit rating?

Mr. IVES. To the extent that any plan or system devised by any State is approved by the Federal Security Agency, as represented in this particular agency by the Social Security Board.

Mr. VANDENBERG. What could happen to any existing merit-rating system which has already been approved?

Mr. IVES. At the present time the Federal Security Agency permits several plans to which the State systems must conform. Were the existing policy or formula to be changed in any fundamental manner, presumably the States would have to conform in carrying out their functions where this policy is concerned.

Mr. VANDENBERG. That brings me to my other question. Could the Department of Labor possibly be any more hostile to merit rating than the Federal Security Agency has demonstrated itself to be?

Mr. IVES. I think probably the Federal Security Agency, in its attitude of opposition to experience rating, has gone as far as it can go. But I should like to bring out this point: we do not know what the position of the Department of Labor might be; we have no idea; but we do know that the Department of Labor's chief interest rests with the worker, as it should. We know that any viewpoint which might be expressed by the Department of Labor presumably would be in favor of the worker, as it should. That being the situation, I doubt that it could be hoped that the attitude of the Department of Labor would be any more favorable toward experience rating than that of the Federal Security Agency. As a matter of fact, I think the employers' attitude in this connection with regard to the Federal Security Agency is founded on the idea that, as nearly as may be possible, the Federal Security Agency itself is a neutral body. It may be prejudiced in this way or that way with regard to the work it is doing, but it is not tied in to any parent group which definitely has a prejudice under the law. That is why, as I see it, presumably a great number of employers are fearful about this possible change.

The PRESIDENT pro tempore. The time of the Senator from New York has expired.

Mr. McCLELLAN. I yield 10 minutes more to the Senator from New York.

Mr. VANDENBERG. Then, Mr. President, if the Senator will yield, I should like to ask a further question.

Mr. IVES. I yield.

Mr. VANDENBERG. Would the Senator concede that a reasonably persuasive argument could be made that we are actually rescuing merit rating when we take it from a nonhostile supervision and turn it over to an institution whose attitude is at least unknown?

Mr. IVES. No; I do not think that could very well be derived from the statement I have made in my presentation. I have thought considerably about that particular point. I think the unwillingness on the part of the Secretary of Labor—I do not like to bring personalities into these matters, but in this particular instance I think I must—to indicate his attitude with respect to experience rating, at the time of the hearing, shows that presumably he is not too favorably inclined. I say that advisedly. After all, he was not appointed Secretary of Labor yesterday. He has been there quite a number of months now. He knows something about labor statutes and labor law. From that experience he has at least some definite knowledge with regard to unemployment insurance and experience rating. If he did not derive it from that experience, he certainly should have derived it from his experience as Governor of the great Commonwealth of Massachusetts. It would really be impossible for any chief executive of any State of the Union within the past 10 or 12 years, at least, not to know what unemployment insurance is and what experience rating is, especially when, as I indicated, all States have experience rating at this time. Consequently, I could only construe his reluctance in that instance as indicating or presumably showing on his part a basic opposition to the idea of experience rating.

Mr. VANDENBERG. I thank the Senator for his very frank statement. I should like to say to him that all my inclinations would be to agree with his point of view respecting leaving the services where they are. I so voted in the Eightieth Congress as did the Senator from New York.

Against that, I find it necessary today to weigh the rival consideration that here is the first highly controversial reorganization plan under the Hoover reports, which, so far as it goes, is in harmony with the Hoover reports. I am sure the Senator from New York recognizes the difficulty encountered by one who wishes to be as loyal as humanly possible to the Hoover reports—

Mr. IVES. I so expressed myself.

Mr. VANDENBERG. Yes, as the Senator from New York himself has indicated—when we have to choose between an argument which is, since it is only an argument, necessarily not conclusive respecting the hazard to merit rating under the proposed change. We have to choose between that and a clear and distinct

veto of the first controversial Hoover report which has come before us.

Mr. IVES. Let me answer in this way, because my process of mental effort probably travels somewhat along the lines followed by that of the distinguished Senator from Michigan. I wish to support these Hoover recommendations; but I tried to point out in my prepared statement that where there is a substantial deviation—even though what is presented, in so far as it goes, may constitute a part of the Hoover recommendations—it seems to me very definitely that, separately and of itself, the proposal should be examined on its own merits.

That is what I have done in this case. If all these other proposals had been incorporated in the plan, with the exception of putting Selective Service in the Department of Labor, I presume it very likely that I would favor the plan. Such an arrangement would provide an integrated set-up.

The plan before us is not integrated. It is piecemeal, only in part. Yesterday we rejected plan No. 1. That plan, even though it is not directly connected with the plan now before us, certainly has a very definite bearing where the Federal Security Agency is concerned.

In view of all that, it seems to me it would be just as well for us to delay, for the time being, until some of these differences of opinion and some of these doubts can be removed, so that we can know more definitely what we are doing in making these changes.

Mr. FLANDERS. Mr. President, I hope to get in my question before the hammer strikes.

Mr. IVES. I beg the Senator's pardon. I yield to him now.

Mr. FLANDERS. I should like to ask whether this plan will result in a possible economy, in that the Bureau of Labor Statistics can then take over more completely in this field, with the result that the compiling of the exceedingly important statistical material which comes from this agency or administration can be handled under the auspices of one administration, instead of two at the same time.

Mr. IVES. Very definitely, there is an economy in that respect, but very definitely there is an extravagance somewhere else. As the distinguished Senator from Vermont may recall, last year the Department of Labor, I think, closed 12 of its regional offices. The chances are that the greater portion of those offices would have to be reopened.

A year ago, when this same proposal was before us, some of us went to a considerable extent into the matter of expenditures or cost. My recollection is that, as nearly as we could ascertain, it would cost about \$500,000 more to make the transfer that is proposed in this instance. Probably that is the gross figure; and probably, as has been indicated, savings of \$150,000 or \$200,000, or something approximating those figures could be made. I have conceded that it is neither plus nor minus, and I do not think the question of economy enters even remotely into this proposal.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. IVES. Certainly.

Mr. FERGUSON. The Senator has indicated that the State has the right to draw up a plan of compensation—

Mr. IVES. That is correct.

Mr. FERGUSON. And that it is then submitted to the Federal agency, which has the right to approve or disapprove.

Mr. IVES. That is true.

Mr. FERGUSON. Does that mean that the agency itself has the power now to change or alter the plan drawn up by the State?

Mr. IVES. Presumably, if some of the insurance funds encounter difficulties, as I think some of them will if we run into a serious condition of unemployment, we may find ourselves in a serious condition where the agency will have to change its plans and its set-up, as they are now established; and in this case, although in general the States presumably would not have to repeal their statutes, yet they probably would have to conform.

Mr. FERGUSON. Is there anything in the law which would require that?

Mr. IVES. No; there is nothing in the law, according to my recollection of it, which would force them to repeal those laws.

Mr. FERGUSON. Then, so far as the law at the present time is concerned, are we to understand that the State has an option in respect to controlling experience rating, and so forth?

Mr. IVES. The State has no option at all in controlling it. The State can only submit a plan which has been adopted by its own legislature, which must meet the terms of the statute, under section 1602—and I think, section 1601 of the Internal Revenue Code is also involved to some extent—and finally be approved by the Federal Security Agency.

In that connection I should like to point out that I have with me all or a substantial number of the regulations which have been worked out controlling this very thing. They have been worked out by the Federal Security Agency. They indicate the great latitude of interpretation which can be placed on the term "other factors in the law."

Mr. FERGUSON. The Agency in Washington then has a considerable control over the funds, and a considerable power to dictate how they shall be used in the State? Is that correct?

Mr. IVES. Very definitely.

Mr. DOUGLAS. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Illinois?

Mr. IVES. I yield.

Mr. DOUGLAS. Will the able Senator from New York state whether, once a plan has been adopted by a State, the Federal Security Agency has ever asked the State to change its plan?

Mr. IVES. No, not to my knowledge. I do not think it has ever been done. But in all probability, I may say to the distinguished Senator from Illinois, if a situation arises, as it might arise by changing the plans, States might be obliged, in the final analysis, to amend their plans. If a State plan is found to be going to pieces and it becomes neces-

sary to revise the whole set-up, that might easily happen.

Mr. DOUGLAS. But, to date, no such change has ever been ordered; is that correct?

Mr. IVES. That is correct.

Mr. SPARKMAN. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Alabama?

Mr. IVES. I yield.

Mr. SPARKMAN. I wonder whether the Senator cares to comment on this: There seems to be a great deal of dissatisfaction with the idea of placing the agency in the Department of Labor; yet is it not true that when the act was originally passed, the agency was placed in the Department of Labor, and, as a matter of fact, over a major portion of the time it has been in operation it has been in the Department of Labor?

Mr. IVES. That is correct. What comment does the Senator want? I have a document which throws light upon the reason for the shift.

Mr. SPARKMAN. If the experience in the Department of Labor has been good thus far, why is a fear so often expressed in connection with placing it back in the Department?

Mr. IVES. Let me merely indicate in the first instance that only the United States Employment Service itself ever was in the Department of Labor. Unemployment Insurance itself never was a part of the Department of Labor. I think that will clear up the point the Senator has in mind. But I call attention to the message of the President of the United States, dated April 25, 1939, at which time he placed the proposal before the Congress regarding the question of the Federal Security Agency, the matter of social security generally, and, as I tried to indicate in my prepared remarks, the need for having all these agencies in one agency of the Government. He said:

I find it necessary and desirable to group in a Federal security agency those agencies of the Government, the major purposes of which are to promote social and economic security, educational opportunity and the health of the citizens of the Nation.

The agencies to be grouped are the Social Security Board, now an independent establishment; the United States Employment Service, now in the Department of Labor; the Office of Education, now in the Department of the Interior; the Public Health Service, now in the Treasury Department; the National Youth Administration, now in the Works Progress Administration; and the Civilian Conservation Corps, now an independent agency.

He then goes on with further reasons, which I shall not take the time of the Senate to read. What I have read indicates the purpose of an integrated set-up, and, as I indicated in my preliminary remarks, there is certainly just as strong a reason for having the Unemployment Insurance Service in the Social Security Agency as there is for having the Employment Service itself in the Department of Labor. Senators may take their choice. If it is desired to get down to brass tacks in argument, the question

can be argued one way just as completely as the other.

Mr. MAGNUSON. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Washington?

Mr. IVES. I yield.

Mr. MAGNUSON. Perhaps I misunderstood the Senator from New York. I understood him to say, in answer to a question by the Senator from Michigan, the State must conform to the plan. Is that correct?

Mr. IVES. Absolutely; otherwise the State plan is not approved. I know something about that. I helped set it up in New York State. The Senator has probably had a similar experience. We submitted several plans before we finally got one that held water, because we were trying out something new.

Mr. MAGNUSON. But the reason for all the books which have been brought into the Chamber is the fact that the States took the initiative in submitting plans; is it not?

Mr. IVES. That is correct.

Mr. MAGNUSON. There is no particular rule of uniformity, but the plan, of course, must be approved, and that is why we have this stack of books; is it not? Would the reorganization plan change at all the existing system in that respect?

Mr. IVES. It may or it may not. It would depend.

Mr. MAGNUSON. Then are we not speaking of a fear of a different type of administration?

Mr. IVES. That is exactly what I was talking about in what I had to say. I did not say I shared the fear. I say the fear exists, and there is no way in the world by which we can eliminate it. Only experience can determine whether it is justified or otherwise.

Mr. MAGNUSON. But, using the same argument, we could just as well justify ourselves in saying that it may be improved through the change, could we not?

Mr. IVES. I am not trying to justify ourselves. I am trying to indicate some of the reasons why it is extremely doubtful at this particular time, when this thing is entirely in a process of flux, to make this particular change. If the Senator will recall correctly, I stated earlier in my prepared remarks that ultimately I think some kind of plan must be worked whereby the system can be placed in the Department of Labor. But I doubt exceedingly whether this is the time to do it.

Mr. MAGNUSON. I thank the Senator.

Mr. IVES. If there are no further questions, the Senator from New York thanks the distinguished Senator from Arkansas for allowing him so much time.

Mr. HUMPHREY. Mr. President, the report of the Committee on Expenditures in the Executive Departments and the able presentation by my good friend, the distinguished senior Senator from the State of New York, have, it seems to me, reduced Resolution No. 151 to two very basic issues. The first is whether the Department of Labor can administer the

Bureau of Employment Security impartially. The second is whether greater efficiency and economy can result from the transfer of the Bureau of Employment Security to the Department of Labor. Those are the same two issues that were pointed out by the Brooklyn Institution in its study.

I say these are two issues presented by the opponents of Reorganization Plan No. 2; but I do not believe, Mr. President, there are in fact two issues involved here. I believe there is only one issue, and even it is not the same as the one presented in the committee report. The one basic issue, to my mind, is whether greater efficiency and effectiveness can result from placing the Bureau of Employment Security in the Department of Labor. That is the one major issue.

The transfer proposed by Reorganization Plan No. 2 must first of all be viewed on its merits, consulting facts and not unfounded charges or imputations of prejudice. When the entire record before the committee is examined on this basis, Mr. President, I think the conclusion is inescapable that Reorganization Plan No. 2 is soundly supported by reason and logic and by orderly principles of Government organization. Charges of bias or prejudice on the part of the Department of Labor can then be seen as they really are.

We must look to see what the facts are. They indicate not any prejudice on the part of the Department, but that the charges are actually a reflection of bias existing in the minds of certain groups which have presented their feelings to the committee as a substitute for facts. In the same way, the charge that the Bureau of Employment Security will cost the Government more money when it operates as a part of the Department of Labor shows up on the record as wholly contrary to the uncontradicted evidence before the committee. I intend to address myself to the interrogation from the Senator from Vermont [Mr. FLANDERS] with reference to the use of statistical material and the possibility of any economies which may be effected by the reorganization.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I shall yield for a question. I desire to stay with my prepared text, and yield at the end of my remarks; but I shall be glad to yield now to the Senator from Massachusetts.

Mr. LODGE. In connection with the statement which the Senator has made as to economies to be achieved by Reorganization Plan No. 2, is it not correct that former President Hoover is on record in the hearings as saying, in response to a question, that he believed this transfer would result in economy?

Mr. HUMPHREY. He is on record to that effect.

Mr. President, I propose to review the entire record before the committee on Reorganization Plan No. 2, and from this record I intend to show the truth of every statement I have made concerning this plan.

In 1947 the Eightieth Congress enacted a law to create a Commission on Organi-

zation of the Executive Branch of the Government. To my mind, that is one of the finest pieces of legislation ever passed by the Eightieth Congress or by any other Congress. A preliminary purpose of this Commission was to make recommendations for consolidating services, activities, and functions of a similar nature of the executive branch.

The Hoover Commission, despite its popular name, was not a Republican commission, nor was it a Democratic commission. I think it is well to bring out that fact, since we are in the spirit of good-fellowship. It was a truly bipartisan Commission. As is well known, its Chairman was the Honorable Herbert Hoover, our distinguished elder statesman, and its membership was drawn from Members of the Congress in equal numbers from both sides of the aisle, as well as some outstanding citizens in public life.

Another interesting thing about this Commission, Mr. President, is the fact that it included two employers, two very distinguished men with experience in meeting pay rolls. But none of the members of the Commission represented employees or the ranks of organized labor.

I think it is particularly pertinent in the discussion of Reorganization Plan No. 2 that we make note of the fact that the Commission did have in its membership two distinguished gentlemen who were well-known employers, who had to meet pay rolls, who had to deal with the Employment Service, who were affected obviously by the tax for unemployment compensation, who were intimately acquainted, on the practical basis of business experience, with the Department of Labor and the Federal Security Agency; and the record is quite clear that those two employers, along with all their colleagues on the Hoover Commission, supported the transfer of the Bureau of Employment Security to the Department of Labor. I shall point out that this was one of the few recommendations with reference to the Department of Labor that was unanimous.

Mr. IVES. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Does the Senator from Minnesota yield to the Senator from New York?

Mr. IVES. Would the Senator rather have me ask my question at the end of his remarks?

Mr. HUMPHREY. I would rather the Senator would wait until I complete my remarks, because I am sure there will be many questions Senators will want to ask.

The members of the Hoover Commission spent almost 2 years and almost \$2,000,000 studying in detail the organization of the executive branch of the Government. To carry out the great responsibilities imposed upon it, the Commission selected 25 different task forces to make special studies and surveys of the various departments and activities of the Government. The Commission drafted into the service of the Nation some 350 outstanding citizens to serve on the task forces, in almost all cases without any compensation whatever. The

Brookings Institution also assisted the Commission in making its study.

A few months ago the Hoover Commission made its report to the Congress. This report contained approximately 318 different recommendations and findings representing its collective good judgment and wisdom. One of the recommendations provided for the transfer of the Bureau of Employment Security from the Federal Security Agency to the Department of Labor. That recommendation was arrived at unanimously, with wholehearted support on the part of Republicans and Democrats. The Commission stated that it made this recommendation because the Bureau of Employment Security carried on activities closely related to the employment and labor functions of the Department of Labor and not closely related to the retirement and old-age-assistance or educational programs of the Federal Security Agency.

The recommendation was made after a very detailed analysis of the Department of Labor and the Federal Security Agency.

Both political parties have made pledge after pledge, year after year, in platform after platform, that they are going to strengthen the Department of Labor. I must say to my distinguished friend, the senior Senator from New York, that we cannot constantly keep making that promise and not do something about it. We cannot constantly say, "Now is not the time." On any issue we can always say that this is not the time; we can always say that we need more information; but, frankly, the information which could be obtained has already been obtained. I submit that when the Congress spends \$2,000,000 to obtain information on the reorganization of the Government, when 350 prominent citizens are mustered into Government service, when 318 reports are made, when task forces are sent into the field and exhaustive studies are made, what more information do we need?

As I have said, the Commission stated that it made its recommendation as to the transfer of the Bureau of Employment Security from the Federal Security Agency to the Department of Labor because the Bureau of Employment Security carried on activities closely related to the employment and labor functions of the Department of Labor and not closely related to the retirement and old-age assistance or educational programs of the Federal Security Agency.

I think our colleagues would be interested in what goes on in the State of New York with reference to this matter. I have in my hand a copy of "Labor Laws and Their Administration and Discussion, Bulletin No. 107, Year 1949, of the United States Department of Labor, Bureau of Labor Standards." On page 118, reporting from a conference with Mr. Corsi, who is, I believe—

Mr. IVES. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. IVES. I should like to set the Senator straight on that. Mr. Corsi is the Industrial Commissioner of New York. I happen to know that Mr. Corsi

favors the plan we are discussing. I respect him very highly, and for him I have a very high regard, but I do not always agree with him.

Mr. HUMPHREY. I appreciate the comment of the distinguished Senator from New York. We do hold many men in high respect with what we do not agree. That is one of the enjoyable phases of American politics. However, I thought I would quote what I am about to read, because I was sure it would have some bearing on the question before us. Mr. Corsi, said:

We in New York have stuck very consistently through the years, and certainly more so in recent years, to the idea that a State government must have under one roof all Government activities pertaining to wage earners as wage earners. That doesn't mean only safety inspection or wages and hours; it means unemployment insurance, employment service, workmen's compensation, labor boards, mediation, and everything else.

It appears to me that this pattern has been pretty well established in most of the States, and I shall bring evidence for this a little later.

Neither the Hoover Commission nor its chairman, former President Hoover, nor anyone else, has claimed that the proposed transfer would sharply decrease the costs of government. In other words, we are not talking about saving billions of dollars by the sort of transfer proposed. The Commission and its chairman were, however, in agreement that the recommended transfer would necessarily increase the effectiveness and the efficiency of Government operations. This was the only claim, and that is why I state that the only issue before the Senate today is whether or not the Bureau of Employment Security can operate more effectively and efficiently in the Department of Labor.

I point out that this is the question which the Senator from Vermont [Mr. FLANDERS] placed before us, and propounded to the Senator from New York. I believe the question of the Senator from Vermont was along this line, "Is it not possible that there would be some increase in efficiency? Is it not possible that there might be some decrease in cost?"

Mr. IVES. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. IVES. I do not care to keep interrupting my distinguished colleague, but in view of the fact that the question was asked of me, I would point out that the Senator from Vermont was indicating a specific function, and asking whether there would not be some savings in that connection; and in that connection there would be.

Mr. HUMPHREY. The junior Senator from Minnesota merely desires to underwrite the very accurate observations of the Senator from Vermont, and to point out by facts, and by the report of the task force, what they had to say.

I give my colleagues now references from the task force report on public welfare—Appendix P—prepared for the Commission on Organization of the Executive Branch of the Government, January 1949, a paragraph entitled "Statist-

tics of Employment." This is what the task force has to say:

The separation of the Department of Labor from the present Federal Security Agency presents another difficulty with respect to statistics of employment, current, short-run, and long-run. The importance of these statistics under modern economic conditions is obvious. It can hardly be questioned that better and less costly statistics could be obtained if the Bureau of Labor Statistics, the Employment Service, unemployment compensation, and possibly old age and survivors insurance were in the same department. Then the head of that department could have a thorough study made of the whole problem, preferably in cooperation with the State agencies and with the assistance of the Statistical Standards Unit of the Budget Bureau, and recommend to Congress the arrangements best suited for an efficient and economical system.

Mr. President, I bring this to the attention of the Senate because the task force, which made a close examination, not only says it would be more efficient, but it also frankly says that it would be less costly, and would provide a coordinated type of statistical research.

Immediately after the Reorganization Act of 1949 became effective last June, the President sent to the Congress on June 20, 1949, some seven plans for the purpose of carrying out as many of the recommendations of the Hoover Commission as possible during the present session of the Congress. I believe the President pointed to the fact that 60 days of almost continuous session would be required before the plans could come into effect, and since the Legislative Reorganization Act points toward adjournment at the end of July very little time, it seemed to the President, remained for putting the recommendations into effect this year. Here is the reason, and I believe the only reason, why more plans have not been submitted to the Congress. There is no indication whatsoever that the President disagrees with other recommendations of the Hoover Commission, or that he does not intend to carry out the other recommendations as soon as circumstances permit.

Mr. President, Reorganization Plan No. 2 clearly carries out the recommendation of the Hoover Commission. It not only transfers the Bureau of Employment Security to the Department of Labor but also enables the complete merger of the Veterans Employment Service with the United States Employment Service under the Bureau of Employment Security. I wish to emphasize this point.

Mr. IVES. Mr. President, will the Senator yield?

Mr. HUMPHREY. Let me complete this statement, and we may discuss it at the end of my remarks, because I think my explanation may convince even the Senator from New York.

Mr. IVES. The Senator from New York merely desired to say to the Senator that what he has just suggested can be done now.

Mr. HUMPHREY. The junior Senator from Minnesota was about to make the observation that it can be done under the reorganization plan.

Mr. President, I wish to emphasize that the plan would enable the complete mer-

ger of the Veterans' Employment Service with the United States Employment Service under the Bureau of Employment Security. I wish to emphasize this point, Mr. President, because the committee report seems to imply that the plan fails to provide for this merger.

I should like to make my position quite clear. I say the committee report seems to imply that the plan fails to provide for this merger. This implication is, of course, contrary to the provisions of the plan, and I quote from section 1 of the plan, as follows:

The functions transferred by the provisions of this section shall be performed by the Secretary of Labor or, subject to his direction and control, by such officers, agencies, and employees of the Department of Labor as he shall designate.

Under this provision of the plan it should be perfectly clear to all Senators that the Secretary of Labor has the power to carry out the merger recommended by the Hoover Commission, a merger which both the senior Senator from New York (Mr. IVES) and the junior Senator from Minnesota would agree can be made, and it surely can be made under Reorganization Plan No. 2. All the Secretary of Labor has to do is to place the administration of the Veterans Placement Service in the same officers and employees of the Bureau of Employment Security who administer the United States Employment Service. In this way the recommendations of the Commission will be carried out in full.

The report of the Senate committee also seems to imply that the reorganization plan goes way beyond the Hoover Commission in abolishing the Veterans' Placement Service Board. It must be understood, however, that the merger recommended by the Hoover Commission, that is, of the Veterans' Placement Service with the United States Employment Service, could not in any way be accomplished unless this Board is also abolished. The Veterans' Placement Service Board is now under the chairmanship of the Administrator of the Veterans' Administration and is composed of various executive officers of the Government, including the Secretary of Labor. This Board has the statutory duty to formulate policies for administering the Veterans' Employment Service. This Board is entirely outside of the United States Employment Service and the Bureau of Employment Security. Under these circumstances no complete merger would be possible unless the policy-making functions of the Board were to vest in the same officers of the Government who shape the policies for the Bureau of Employment Security and the United States Employment Service. Under the plan this officer would be the Secretary of Labor, and, therefore, the only way in which the Hoover Commission recommendations may be carried out is by vesting this policy-making function of the Veterans' Placement Service Board in the Secretary of Labor. Such a step would be taken by Reorganization Plan No. 2, thereby hoeing the line to the exact pattern established by the Hoover Commission.

The committee report again seems to imply that Reorganization Plan No. 2 should have included seven additional recommendations for strengthening the Department of Labor. I have previously mentioned that. These recommendations, however, involve not only the Federal Security Agency but at least a dozen other Government agencies and involve issues which are for the most part totally unrelated to the transfer of the Bureau of Employment Security. As I have stated, Mr. President, the President has submitted to the Congress only those issues which the Congress could be reasonably expected to dispose of in the limited time available.

There is no reason to believe that the President has any other intention than to carry out these further recommendations as soon as time will permit.

The Senate committee gave a full opportunity for all individuals and all groups to present their views concerning Reorganization Plan No. 2. As other distinguished Senators who are members of the committee will affirm, there were several days of hearings, many written and oral statements presented to the committee, and a host of telegrams and letters, both for and against the plan. I have gone over most of the record, in fact I would say I have gone over once the entire record of the hearings before the committee, and I am convinced that the evidence strongly supports the position taken by the Hoover Commission.

There was a doubt in the mind of the senior Senator from New York whether unemployment compensation was directly related to the Department of Labor's activities. The junior Senator from Minnesota would like to say that the Employment Service surely belongs in the Department of Labor. The work of the Employment Service is to secure jobs for unemployed. The Unemployment Compensation System is a system set up to alleviate strains, difficulties, and poverty during periods of unemployment. We in America are not working under a system whereby we would attempt to see how many people we could keep on unemployment compensation. The job of the Department of Labor and the job of the Government is not to see how many persons can be kept on a \$20-a-week unemployment compensation, but to see how many persons can be kept at work in productive employment.

Furthermore, it should be noted that unemployment-compensation beneficiaries, that is, those who receive the compensation, must be listed with the Employment Service, and there is a direct relationship between the Employment Service activities, which helps to find jobs for the unemployed, and the Unemployment Compensation System's activities, which furnishes some means of sustenance during a period of unemployment while a man is seeking a job.

In preparing the minority report, the junior Senator from Minnesota brought out what the Hoover Commission had to say in reference to the Unemployment Compensation Service and the Employment Service being brought together. I should like to read from page 3 of the

minority views on Reorganization Plan No. 2 of 1949. I read as follows:

The Hoover Commission stated that there were cogent reasons why this agency and certain other agencies and functions "should be transferred to the Department of Labor. They are more nearly related to the problems of labor than those with which they are now associated, and their transfer accords with the Commission's first report which recommended that agencies be grouped according to their major purpose."

More specifically as to the reasons for recommending the transfer of the Bureau of Employment Security to the Department of Labor the Hoover Commission stated:

"It is now generally agreed by both Federal and State officials that it is desirable to integrate fiscal and administrative review of the two State programs under the supervision of the same Federal department. The placement operations are the primary objectives of this dual arrangement. The paying of unemployment-compensation claims is a temporary expedient until the eligible worker can be brought back into the productive labor force."

What the Hoover Commission was pointing out so well, was that no matter what we do with the Bureau of Employment Security, the Unemployment Compensation Service and the Employment Service aspects must be transferred together.

The Senate committee, as I have stated, gave all individuals and all groups a full opportunity to present their views concerning Reorganization Plan No. 2. Perhaps the most outstanding fact presented to the committee is the steady increasing of unemployment facing the Nation today. I am one of those who believe that any sound step which this Congress can take to remedy or alleviate the plight of the unemployed should be taken without delay. Now the testimony was clear, Mr. President, that the primary function of the Bureau of Employment Security is to administer funds for maintaining a Nation-wide system for getting jobs for workers. This business of paying cash benefits for unemployment and supervising the use of funds for this purpose is secondary at best. We all know that the emphasis must be on finding the job for the worker. The primary objective of the Government is to obtain jobs. When we do this we reduce the amount which the employers and the public will have to pay as unemployment compensation. We also help the worker because cash benefits, although they may be necessary, are nevertheless a very poor makeshift for the earnings from a steady job.

What agency of the Government, Mr. President, is most concerned with opportunities for employment. Certainly it is not the Federal Security Agency. That agency primarily deals with the welfare of individuals as such. That agency tries to improve the education of our children. It promotes the health of all our people. It is concerned with the cause and cure or control of cancer. It tries to improve or accomplish methods of taking care of babies and growing children. It tries to prevent poisonous foods and dangerous drugs from injuring the public. It aids in the care of the mentally ill. It gives the States the

money to take care of the blind, the aged, and dependent or crippled children. It provides pensions for old people who can no longer work.

None of these functions of the Federal Security Agency has any direct relationship to getting jobs for workers. None of these functions bears any direct relation to working people as wage earners in the great labor force of the Nation. Both the Hoover Commission and the Brookings Institution came to this sound conclusion, and the testimony before the committee supports them. The Hoover Commission said that the Bureau of Employment Security is primarily concerned with getting jobs for workers, and therefore should be placed in the Department of Labor, which is the primary agency of the Government dealing with labor problems and with promoting opportunities for profitable employment.

Let me refer to the experience in the respective States, lest some think we are blazing a new trail, or charging off on some uncharted course. This is from the report of the task force of the Hoover Commission, in reference to this type of integrated agency, where unemployment compensation and employment-service activities are carried on in one agency. The Hoover Commission task force has this to say:

In the States, the employment security agency is not located in the State welfare, health, or education department, but is either located in the State industrial commission or labor department (15 States), in a department with other labor functions (6 States), or in an independent employment security or unemployment compensation commission (30 States). The States thus either consider employment security as an employment function requiring coordination with other such functions, or give it a separate status. They do not merge it with public assistance, health, or education.

The task force making this particular investigation found that throughout the States, the laboratories of our democracy where the Federal-assistance programs are carried out, the pattern of arrangement is not to have the Bureau of Employment Security with a health, welfare, and education agency such as the Federal Security Agency, but to put it into the labor department of the State or the industrial commission of the State, or a separate compensation division or board. I think that should have some controlling effect upon our thinking as to the soundness of approach of the Hoover Commission.

Let me refer to what the Department of Labor would do. The Department of Labor possesses the necessary specialists, the wealth of information on occupations, on employment trends, on wage rates, on working conditions, on labor legislation, and on other matters essential to employment counseling and placement. In this day and age the Employment Service is not merely a matter of registering for a job. In this day and age of specialization, skilled and semi-skilled workers, professional workers and semiprofessional workers, in this day and age of mass production, when people do a particular type of specified,

detailed assignment, the Employment Service activity is a highly specialized activity. It requires facts, figures, and statistical analysis. It requires aptitude testing and job placement. The Labor Department of this Government is equipped by experience, tradition, and practice to perform these essential services.

The various bureaus and functions of the Department of Labor were shown by the testimony to be interdependent with the Bureau of Employment Security. The Bureau of Labor Statistics and the United States Employment Service, for example, must work closely together. The local employment office provides the Bureau with the necessary facts on industrial and occupational opportunities, on characteristics of unemployment, on hiring practices, and on labor-market conditions.

Let me digress for a moment. Here is the Bureau of Labor Statistics, under the supervision of the Secretary of Labor. I ask any person in America to what Bureau the average American citizen, the good, God-fearing, decent American citizen who has no special ax to grind, looks for facts? What Bureau of this Government do the consumers of America look to to find out about the cost of living? What Bureau in the Government is General Motors willing to rely upon in establishing a basis for wage rates with the United Automobile Workers? What Bureau of the Government has been able to command the respect of employers, consumers, and everyone else in this Nation? The Bureau of Labor Statistics, under the direct supervision of the Department of Labor.

There is not one iota of evidence to reveal that there has ever been prejudice or bias in the Bureau of Labor Statistics or in the Employment Service when it was under the Department of Labor.

It is an old Anglo-Saxon principle of law which seems to be forgotten these days that a man is innocent until he is proved guilty. All too often around Washington one is guilty until he proves himself innocent. I do not think it is time to start legislating on the basis that someone is going to be guilty merely because someone says he might be, and make the poor fellow come forward and say, "I am not guilty. Let me prove my innocence." God forbid. Anglo-Saxon law is based upon the concept of a man's innocence; and if you want to prove something on him, you had better prove it, and not merely guess about it, or indulge in rumor-mongering. I think that principle could be very well adopted throughout the Government.

That is the Christian, democratic principle that a man is innocent until he is proved guilty. It seems to me that it would be a good idea to assume that the Secretary of Labor, in view of tradition, experience, practice, and record, is going to be impartial, unbiased, honorable, and decent in administering the Bureau of Employment Security with a sense of integrity and public service in the greatest democracy in the world.

Mr. President, that was not in the script. It has been on my mind for a long time.

As I have said, the local employment office provides the Bureau of Labor Statistics with the necessary facts on industrial and occupational opportunities, on characteristics of unemployment, on hiring practices, and on labor-market conditions. This interrelationship which now exists between the Bureau of Labor Statistics and the Bureau of Employment Security is one which even the blind can see. The Bureau of Employment Security cannot be operated without the activities of the Labor Department, unless we wish to establish another set of bureaucrats. Without this interrelationship, we would have to establish another separate agency to gather its own information.

What we are trying to do is to integrate, coordinate, eliminate duplication, and eliminate waste. This is one of the soundest proposals we have had in the process of Government operation.

The same interrelationship exists with respect to the other bureaus of the Department of Labor, including the Bureau of Apprentice Training. Apprentice training has something to do with employment opportunities and the work force. The same interrelationship exists with respect to the Women's Bureau, the Wage and Hour Division, and the Bureau of Veterans' Reemployment Rights. They are all under the Department of Labor. It seems to me that there is no logical argument why the Employment Service and the Unemployment Compensation Service ought not to be where they justly belong.

I do not desire at this time to go into all the ramifications of these interrelationships, enjoyable as it would be. I believe that these questions are quite thoroughly covered in the minority views which I have presented for the observation and study of the Senate. In my opinion the record before the committee overwhelmingly supports the existence of this close relationship, and I doubt that even those who are opposed to the plan will deny its very real existence.

One would think, Mr. President, that the simple logic of placing the Bureau of Employment Security in the Department of Labor would have made some impression upon the committee and on the Senate. Here we have the Brookings Institution saying in fact that the Bureau is closely related to the functions of the Department of Labor and we have the Hoover Commission not only saying the same thing but also recommending the transfer. In addition to that we have virtually uncontradicted testimony to the same effect before the committee but in spite of all this, concludes that the facts offer no assurances of increased efficiency. I merely wish to point out that ex-President Hoover gave these assurances personally to the committee, as the Senator from Massachusetts [Mr. LODGE] so well stated. Ex-President Hoover said:

I have the faith that this Bureau placed in the Department of Labor and associated with men who are familiar with the problems of labor, will get more economical handling than it will be as a sort of an orphan in the social security, where there are other and much more dominant activities.

I also wish to quote something else ex-President Hoover said about the relationship of these programs to the Federal Security Agency:

I do not believe that the grants-in-aid feature of agencies creates special affinity on which to set up organization plans. I do not see any more reason why we should any more confine the agency under discussion to the Federal Security Agency because it is a grant-in-aid than that we should put the highways in the Security Agency because they also are grants-in-aid. In other words, the theory that all the grants-in-aid programs ought to be brought together seems to me to be a feeble basis for administrative organization of the Government.

The Senate committee had the assurances of the President of the United States, the Secretary of Labor, the Administrator of the Federal Security Agency, the Director of the Bureau of Employment Security, who will administer this program in the Department of Labor, and other leading citizens, both inside the Government and in private life. In view of these facts and these assurances, I can hardly believe, Mr. President, that the committee can claim that the record offers no assurances of increased efficiency. These facts clearly contradict any such conclusion of the committee. It seems to me that all this evidence which shows the close coordination that will be possible between the Bureau of Employment Security and the other bureaus of the Labor Department, enabling a close day-to-day working relationship, points unmistakably toward more efficient and more effective use out of every dollar invested both in the Bureau of Employment Security and in the other bureaus now in the Department of Labor.

In spite of all this, however, the committee report expresses the opinion that increased cost would result from the transfer. Mr. President, it seems to me that all we are doing here is picking up a bureau of the Government and moving it bodily from one agency to another. The bureau will operate with the same appropriations and will carry out the same functions which it now discharges. It will be administered by the same Director and through the use of the same personnel. Under these circumstances, and without any facts in support of the contrary proposition, I fail to see how any reasonable man can contend that it will cost more to operate the Bureau of Employment Security under the Department of Labor than it would where it is now situated, particularly when we can thereby consolidate statistical research. The opponents of this plan seem to base their contention of increased costs upon the need of establishing new field offices, once the transfer is made. The evidence before the committee, however, was to the effect that the Federal Security Agency has 12 offices in the field and the Department of Labor has 12 offices in the field. In every case except one, these offices are in identical cities. Since the personal relationship to the Bureau of Employment Security operations would be transferred under the plan, there seems to be no basis for claiming an increase in the cost of field

operations. The argument presented by the opponents of the plan seems to boil down to an expression of opinion that the whole plan should be tossed aside by the Senate because it might require the Department of Labor to establish one field office in the same city in which the Federal Security Agency now maintains that field office. Upon this basis alone, the opponents seem to feel that the recommendations of the Hoover Commission should be ignored. I can think of no weaker reason, Mr. President, for scuttling a worthy recommendation.

Let us be frank concerning the objections raised to this transfer. These objections cannot be based upon the issues of efficiency or effectiveness or economy in the Government. These objections are wholly based upon a vague and unsubstantiated fear that the Department of Labor would administer the Bureau of Employment Security solely in the interests of workers, and would be prejudiced against the interest of employers. Mr. President, I repeat that I share no such view. Herbert Hoover, Chairman of the Commission, does not share that view. He equally discounts this element of prejudice. I quote from Mr. Hoover's testimony:

I do not think any reasonable employer would have prejudice on that account.

Mr. Hoover was speaking of the transfer of the Agency. Then he said:

In any event, I do not see any differences which will arise in the administration of a bureau wherever it is. I do not believe that an employer ought to have any less confidence in the objectivity of the Labor Department than the Federal Security Agency. If there is such criticism the employer ought to realize that these bureaus placed in the Labor Department will be the more vivid searchlight of public opinion than if in the Federal Security Agency, whose major purposes are not related to the subject.

He went on to say:

I do not believe that the Labor Department is a prejudiced Department advocating one aspect of American life any more than the Department of Commerce. We have to believe that the departments of the Government are going to act on behalf of all the citizens of the country, and that the searchlight of public opinion and the action of Congress will keep them on that track. Certainly I do not like to see a poor administrative structure just because of prejudice.

I reviewed the entire record before the committee, and I can assure the Senate that not one case of bias or prejudice on the part of the Department of Labor in the administration of its various statutory duties was brought before the committee. On the other hand, the Secretary of Labor fully assured the committee that the Bureau of Employment Security will be operated in the Department of Labor in the same impartial manner as it now operates, and by the same impartial personnel, including the present Director, Mr. Goodwin, who now operates it.

While I am on this point, I wish to call attention to one factor of this plan which will give added assurance of impartiality, if such assurance is needed. The Federal Advisory Council, created by the Wagner-Peyser Act to advise as

to the employment service, would, under the plan, also advise with respect to all the activities of the Bureau of Employment Security. This Council has the statutory job of fluctuating policies and directing problems relating to employment and insuring impartiality, neutrality, and freedom from influence in the solution of such problems. The Council is composed of 35 men and women, representing employers and employees in equal numbers, and also representing the public. Many of the members of the Council are leading citizens of the United States. The Secretary of Labor stated to the committee that he will use this Council actively when he is shaping his policies on the employment service and in employment compensation functions. I am sure, Mr. President, that the Federal Advisory Council in the Department of Labor, operating as it would be required to do under this plan, should lay at rest these vague fears of partiality on the part of the Department.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the list of members of the Federal Advisory Council, with their proper titles.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

MEMBERS OF THE FEDERAL ADVISORY COUNCIL PUBLIC REPRESENTATIVES

Dr. William Haber, professor of economics, University of Michigan, Ann Arbor, Mich., Chairman of the Council.

Mr. John J. Corson, circulation director, Washington Post, Washington, D. C.

Mrs. Saldie Orr Dunbar, past president, Federated Women's Clubs, Portland, Oreg.

Dr. Merle E. Frampton, principal, New York Institute for the Education of the Blind, New York City.

Mr. Fred K. Hoehler, executive director, Community Fund of Chicago, Inc., Chicago, Ill.

Mrs. Henry A. Ingraham, former president, national board, YWCA, Brooklyn, N. Y.

Mr. Roscoe C. Martin, bureau of public administration, University of Alabama, University, Ala.

Mr. Ira D. Reid, professor, Haverford College, Haverford, Pa.

Mrs. Anna M. Rosenberg, New York City.

Mr. Max F. Baer, national director, B'nai B'rith Vocational Service Bureau, Washington, D. C.

Dr. Sumner Slichter, professor of economics, Harvard University, Cambridge, Mass.

Dr. Edwin E. Witte, department of economics, University of Wisconsin, Madison, Wis.

MANAGEMENT REPRESENTATIVES

Miss Bess Bloodworth, vice president, the Namm Store, Brooklyn, N. Y.

Mr. Prentiss L. Coonley, business consultant, Washington, D. C.

Mr. John Lovett, general manager, Michigan Manufacturers' Association, Detroit, Mich.

Mr. George Mead, president, the Mead Corp., Dayton, Ohio.

Mr. H. S. Vance, chairman of the board, Studebaker Corp., South Bend, Ind.

Mr. Frank De Vyver, Duke University, Durham, N. C.

Mr. Marion Folsom, treasurer, Eastman Kodak Co., Rochester, N. Y.

Note: At the moment there are two vacancies.

LABOR REPRESENTATIVES

Mr. John Brophy, director, industrial union councils, Congress of Industrial Organizations, Washington, D. C.

Mr. Harry Boyer, president, Pennsylvania Industrial Union Council, Harrisburg, Pa.

Mr. Nelson H. Cruikshank, director, social insurance activities, American Federation of Labor, Washington, D. C.

Mr. James L. McDewitt, president, Pennsylvania Federation of Labor, Harrisburg, Pa.

Mr. H. L. Mitchell, president, National Farm Labor Union, American Federation of Labor, Washington, D. C.

Mr. Paul Sifton, national legislative representative, UAW, Congress of Industrial Organizations, Washington, D. C.

Mrs. Katherine Ellickson, assistant director of research, Congress of Industrial Organizations, Washington, D. C.

Mr. James Brownlow, secretary-treasurer of the metal trades department, AFL, Washington, D. C.

Mr. Joseph M. Rourke, secretary-treasurer, Connecticut State Federation of Labor, Bridgeport, Conn.

VETERANS REPRESENTATIVES

Mr. Robert S. Allen, author, member of American Veterans' Committee, Washington, D. C.

Mr. Lawrence J. Fenlon, chairman, national economic commission, American Legion, Chicago, Ill.

Mr. Omar B. Ketchum, director, national legislative service, Veterans of Foreign Wars, Washington, D. C.

Mr. Millard W. Rice, executive secretary, Disabled American Veterans' Service Foundation, Washington, D. C.

Mr. Edgar Corry, Jr., past national commander, American Veterans of World War II, Washington, D. C.

Mr. HUMPHREY. Mr. President, there is one other point which this argument of partiality completely ignores. It is this: The authority of the Secretary of Labor stems from many different statutes in various fields of activity. For example, he administers the Davis-Bacon Act, the Walsh-Healey Public Contracts Act, the child-labor provisions of the Fair Labor Standards Act, the various statutory provisions creating the Women's Bureau and the Bureau of Labor Statistics, the Veterans' Reemployment Rights defined in the Selective Service Act of 1940, and the Federal Apprenticeship Act. Under all these statutes, the Secretary of Labor must do what the statutes provide. If the Secretary is given responsibility for the Bureau of Employment Security, he must act in accordance with the laws governing that bureau. These laws are the Wagner-Peyser Act, the Social Security Act, and the Federal Unemployment Tax Act. These statutes give the Secretary very little discretion. Under them, his main function is to approve the use of Federal funds for administering State laws. The standards for approving or disapproving a particular State plan for receiving Federal funds are spelled out in the statute itself. These standards, and these standards alone, must guide the Secretary in formulating policies and making determinations with respect to granting assistance to the States.

Mr. President, I am very sorry that at this time the distinguished senior Senator from Michigan [Mr. VANDENBERG] is not in the chamber, because he asked about the matter of partiality and asked about the authority of the Secretary of Labor and what he could do, for example, with experience-rating systems. I shall point that out. It is crystal clear that the Secretary of Labor must operate

under statutory law. So long as State laws and State operations meet the specific standards prescribed by the Federal law and are approved by the Secretary, Federal aid must be granted to the States.

The Federal law, for example, specifically leaves to the States the question of paying unemployment benefits to strikers. That is in the law. On this point the Secretary of Labor would have no discretion whatever.

Another example arises with respect to the experience-rating system. This is the vital issue. The experience-rating system is a problem which was particularly considered by the business organizations as they testified before the committee. The Federal law is designed to encourage experience-rating systems under State unemployment-compensation laws.

This is how it works. The Federal Unemployment Tax Act provides for a 3-percent tax on employers' pay rolls. All except three-tenths of 1 percent of this tax may be offset by payments made by employers to the State under the State law. In other words, 2.7 percent of this tax can be paid to the State. Three-tenths of 1 percent must go to the National Government for purposes of administration.

In addition the Federal law provides that, even though the payments under the State law do not amount to the total of 2.7 percent, nevertheless the employer shall be allowed credits with respect to a reduced rate permitted by the State law on an experience-rating basis. In other words, the tax can be reduced on an experience-rating basis. The Federal law spells this out clearly. It has definite standards which the State experience-rating system must meet, and when these standards are met, the additional credits must be allowed within the range between zero percent and 2.7 percent. That is left to the States. It is a problem for the State legislature.

I wish to point out that neither the Federal Security Agency nor the Department of Labor may change the experience-rating system. Neither can legally abolish it. The Congress has written the law, and the Congress alone may change or abolish this protection.

In the minority views, at page 10, we have this to say:

With regard to experience rating, the testimony was abundantly clear that, for all practical purposes, the State officials can read the provisions of the Federal statute, submit a plan for experience rating, complying with the standards of the statute and that plan must be approved. For example, the Federal Unemployment Tax Act provides for a 3-percent tax on employers' pay rolls. All except three-tenths of 1 percent of this tax may be offset by payments made by the employer under the State law. The Federal law in addition provides that the employer shall be allowed credits with respect to a reduced rate permitted by State law on an experience-rating basis. This is for the purpose of encouraging the experience-rating system. The Federal law spells out clearly defined standards which the experience-rating system must meet. When these standards are met additional credits must be allowed within the range between zero percent and 2.7 percent.

Under the above circumstances it is apparent that no administrative agency can legally abolish the experience-rating system or prevent any State from adopting such a system. The protection for the system has been written by the Congress into the law. Congress alone may change or abolish this protection. Neither the Federal Security Agency nor the Department of Labor may do so.

I am happy to see the Senator to whom I referred returning to the Senate Chamber, and I am going to burden the few loyal colleagues who have remained with me during the discussion to bring this to the attention of the distinguished Senator from Michigan. I am discussing the matter of experience rating, about which the distinguished Senator inquired, and I am sure he is deeply concerned about it. I was pointing out how it operates. I pointed out that the Federal law was designed to encourage the experience-rating system under State unemployment-compensation laws. I pointed out that the Federal Unemployment Tax Act provides for a 3 percent tax on pay rolls, only three-tenths of 1 percent of which goes to the Federal Government, while 2.7 percent can be collected by the State. I pointed out that the State can adjust the tax with employers, on the basis of experience rating. I then went on to point out, from the testimony given before the committee, that neither the Federal Security Agency nor the Department of Labor can change the experience-rating system. Neither can legally abolish it. The Congress has written this into the law, and the Congress alone may change or abolish it. I further stated that the conditions for State compliance with the Federal law are specifically 'clear-cut under the law. The Secretary of Labor would have very little to say. But I may point out that under the existing system the Federal Security Agency does not approve the experience-rating system. There is no doubt about that. They think the experience-rating systems ought to be abolished.

How about the present Secretary of Labor? What is his record as Governor of Massachusetts? His record as Governor of Massachusetts was not in any way to vitiate the experience-rating system, but to improve it, or at least to defend it. I am sure the distinguished Senator from Massachusetts [Mr. LODGE] will say Massachusetts has a good experience-rating system of unemployment compensation. I think we shall find at least a friendly Secretary of Labor in the present incumbent of that office. But I may say we cannot judge legislation by personalities. Those of us who run for office know how we come and go. Generally, too, those who have been appointed to office know a little about coming and going. What we must think about is whether this is good, sound administrative procedure. It is my judgment it is good, sound administrative procedure.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Louisiana?

Mr. HUMPHREY. I yield.

Mr. LONG. If concern is evidenced about the experience rating system, would it not be a better idea, rather than hold up a good reorganization plan merely because of the experience rating system, to go ahead, pass a law, and make it clear that any good experience rating system a State wants to put into effect will have to be approved?

Mr. HUMPHREY. I think that is a very good and valid comment.

Mr. IVES. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. IVES. In reply to the statement of the Senator from Louisiana [Mr. LONG], I think the Senator is familiar with the provision in section 1602 of the Internal Revenue Code, subsection 1, which reads as follows:

No reduced rate of contributions to a pooled fund or to a partially pooled account, is permitted to a person (or group of persons) having individuals in his (or their) employ except on the basis of his (or their) experience with respect to the unemployment or other factors bearing a direct relation to unemployment risk during not less than the three consecutive years immediately preceding the computation date.

In that connection, I should like to ask the able Senator from Minnesota if he does not believe, in the light of that provision in the law which quite obviously leaves full discretion with the administering agency in regard to the interpretation of the act itself and the formulation of plans under the act, that it would be possible for the administering agency to create a formula whereby experience rating as such would virtually cease to exist, insofar as any State of the Union is concerned, which might be operating under it?

Mr. HUMPHREY. No, I do not. I make the observation that I do not, because the law points out quite specifically, at least, one standard which we have to have for an experience rating, namely, the matter of tax reduction, and—

Mr. IVES. The Senator from New York understands that. Those are basic requirements of the law. Then comes this discretion.

Mr. HUMPHREY. "Or other factors."

Mr. IVES. The Senator from New York further understands that insofar as the States themselves are concerned, no State law can be changed by any act of the Congress itself, or certainly by any administrative act, so far as the Administrator is concerned. But here is the catch. Is it not true that in spite of any State law, in spite of any plan which might have been previously formulated and agreed to on the part of the administering agency, a change in plan or in formula which might be established by the administering agency through action by the administering agency in withholding funds—I am now talking about administrative funds—would, in effect, have the result of forcing this, that, or the other State to change its statute if it were to be able to continue the unemployment insurance experience ratings?

Mr. HUMPHREY. I may say in answer to the distinguished senior Senator from New York that what he is posing as a problem could happen to anyone who is the head of an agency. It could happen in the Federal Security Agency.

Mr. IVES. The Senator from New York is not arguing it; he is simply asking the question.

Mr. HUMPHREY. It is the considered judgment of the Senator from Minnesota that if the law pertaining to the experience-rating system is such that it can be tampered with, we should rewrite the law. But this is not the place in which to rewrite it.

Mr. IVES. The Senator from New York points to the regulations.

Mr. HUMPHREY. Those are the regulations of the Federal Security Agency, the very agency which the Senator from New York wants to have establish an experience-rating program. Apparently the senior Senator from New York thinks the way to preserve the experience-rating program is to have administer it the Agency which has already announced that it does not believe in it.

Mr. IVES. Mr. President, will the Senator further yield?

Mr. HUMPHREY. I yield.

Mr. IVES. In that connection, the Senator from New York would like to point out to the Senator from Minnesota that he is not advocating the extension of unemployment insurance in the Federal Security Agency because the Agency does not believe in it, but he would like to ask the Senator from Minnesota if he knows of any instance in which the Federal Security Agency, up to this time, has done anything to destroy any plan of unemployment-insurance rating as established in a State?

Mr. HUMPHREY. I surely do not. Therefore, I may say to my distinguished friend from New York, let us cease worrying. Here is something which the Agency announced it does not like, but yet it has not done anything to destroy it.

Mr. IVES. There happen to be many thousands of employers in the Nation who are worrying about it.

Mr. HUMPHREY. There are some persons who are never so happy as when they are unhappy. There are other persons who enjoy worrying. They conjure up more ghosts and more bogeymen in an hour than a dog can acquire fleas. They have all kinds of problems on their minds. It is impossible for the Senate of the United States to set at rest all the worries of the "ulcer" groups in this country. Some people are bent on having ulcers and dyspepsia. I do not know of anything as a remedy except Bisodol, or something of that nature.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. In view of the fact that the distinguished and able Senator from New York does not share the fears that the Labor Department would be biased, and which instead he merely expressed and passed on to this body, would it not be the judgment of the junior Senator from Minnesota that the great talents of the senior Senator from New

York would be better devoted to removing these false fears on the part of employers, rather than merely passing them on to the Senate, and seeking to influence this body by giving them circulation.

Mr. HUMPHREY. I pay a tribute to my esteemed and devoted friend, the junior Senator from Illinois, for his timely observations which always come to my rescue.

Mr. IVES. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. IVES. The Senator from New York would merely like to state that that is one of the chief reasons why the Senator from New York feels that delay should be had at this time so some of us can do the job of removing these fears which exist and getting the differences reconciled and straightened out.

Mr. HUMPHREY. I should like to make the observation that when the Senator talks of delay, I know it is foreign to his character. He is a man of ideals, and he is one who likes to go ahead and get things done. This is like performing a necessary operation which has been recommended by the finest diagnosticians of America. Here is a political surgery job which needs to be done. Dr. Hoover and his staff have looked over the patient. There have been relatives pacing up and down, waiting outside for the diagnosis to be reported. The symptoms have been found, and the head surgeon comes in and says to the family of 150,000,000 Americans, "There seems to be, at long last, something we have found in political medicine that is able to receive unanimous agreement. Every surgeon we have, the two employer surgeons, the Republican surgeons, the Democratic surgeons, the chairman and the co-chairman, all agree that there is an operation which needs to be performed. What is the operation? It is that the Federal Security Agency must lose the Bureau of Employment Security, and that Bureau must go to the Department of Labor. There does not seem to be any doubt that if the operation is performed the patient will survive—not only survive, but he may be even happier." Surely he will not be any more unhappy, and his relatives will not be any more unhappy. So I say to the distinguished Senator from New York, let us not worry about these necessary appendectomies and tonsilectomies.

Mr. IVES. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. IVES. The Senator from New York appreciates very gratefully the tribute paid to him by the distinguished Senator from Minnesota some moments ago, and he tried to express his feeling at that time. However, the Senator from New York would like to point out that, be all of those things as they may or may not be, the fact remains that the Senator from New York has always felt that discretion is the better part of valor.

Mr. HUMPHREY. I should like to concur in that statement. But at a time when there is something necessary to be

done, and those who have been called in—and, by the way, called in by the advice and counsel of the Senator from New York; I am sure he voted for it and I am sure he feels as I feel about it, that there is something of such great importance that the matter of partisan politics is set aside—let us go ahead on what the Commission has recommended.

Mr. President, now I wish to conclude, because I have taken more time than I had intended. I wish to summarize by saying that along with this charge of bias on the part of the Department of Labor comes the threat that employers will lose confidence in the Employment Service if it is placed in the Department of Labor. Here, again, there were absolutely no facts to support this serious charge. On the other hand, we have a full record of confidence on the part of employers in both present and prior operation of the Department of Labor. I wish to give the Senate some idea of the scope to which employers now use the Department. One hundred and ten thousand establishments now report employment and pay-roll information each month to the Bureau of Labor Statistics. Between 14,000 and 15,000 retail establishments now report to that Bureau items for inclusion in the Consumers Price Index. Ten thousand establishments are cooperating this year in giving the Bureau of Labor Statistics the information necessary for occupational wage-rate surveys by industry and by community.

I wish to point out that much of this information is confidential in nature. If it were released by the Department of Labor to unions or to competitors, the employers would immediately lose confidence in the Department of Labor and the statistics of the Department would become valueless. Yet ever since the creation of the Department, these statistics have been kept in strictest confidence by the Secretary of Labor and his subordinates.

The Secretary of Labor testified before the committee that more than 40,000 employers have cooperated with the Department of Labor in establishing more than 40,000 apprentice programs for approximately 250,000 apprentices under training. Is this, Mr. President, evidence of lack of confidence by employers in the Department of Labor?

By the way, that is a wonderful program. I think it deserves a word of tribute. I have watched it in my own State, and it is one of the most marvelous programs I ever hope to witness in the field of what I call practical vocational education.

The most telling facts on this matter of confidence in the Department of Labor are disclosed by the record of the United States Employment Service when it was in the Department of Labor. The official records of the Employment Service show that during the years 1945-48, when that Service was in the Department, employers used the Government placement facilities more than at any other peacetime year since the Wagner-Peyser Act was enacted in 1933. From 1945 to 1948 we did not need an employment service

in order to find people jobs. The employers had dragnets out in front of every door, and if one had even as much as a spark of life left in him, he was pretty sure to get work.

I speak with some intimate familiarity with the Employment Service, and perhaps some sentimentality. I helped develop the program for aptitude testing and vocational training in the Employment Service. I helped perfect programs of placement and job placement, and employer and employee relationships, in the Employment Service. I know that the businessmen of our community had confidence in the ability of the Employment Service to perform its task. The only thing which has destroyed that confidence has been the action of Congress in shifting the Service around here, yonder, and every other place. Let us put it back where it belongs—in the Department of Labor.

When the proposal was made in 1947 to place the Employment Service permanently in the Department of Labor not one employer objected to this plan. I might add here, Mr. President, that the Employment Service was administered in the Department of Labor by Mr. Goodwin, who now is Director of the Bureau of Employment Security, and who will continue to be the Director after the Bureau is transferred to the Department of Labor. Even witnesses who opposed this plan before the committee admitted frankly that Mr. Goodwin administered the Bureau with complete impartiality.

Now, I have stated all of the facts in the record before the committee. I believe that these facts fully support Reorganization Plan No. 2. I believe furthermore, Mr. President, that these facts knock into a cocked hat any claim that the Bureau of Employment Security would not be more effective or more efficient in the Department of Labor. These facts do not present any basis whatsoever for claiming that increased costs would follow this transfer. Above all, Mr. President, the record before the committee should dispel for good this unfounded fear of partiality or bias on the part of the Department of Labor.

I call upon the Senate, in the exercise of its wise and prudent judgment, to concur in Reorganization Plan No. 2, to reject Resolution 151, and to say to the American people that we are going ahead with the Hoover Commission recommendations for reorganization of the executive branch of the Government.

Mr. DOUGLAS. Mr. President—

The PRESIDING OFFICER (Mr. KEFAUVER in the chair). Does the Senator from Minnesota yield to the Senator from Illinois?

Mr. HUMPHREY. I am more than happy to yield.

Mr. DOUGLAS. What is the attitude of the two great veterans' organizations concerning Resolution Plan No. 2?

Mr. HUMPHREY. The Veterans of Foreign Wars and the American Legion, through their respective legislative counsel, testified in behalf of Reorganization Plan No. 2.

Mr. DOUGLAS. So that both the Legion and the Veterans of Foreign Wars are in favor of the plan?

Mr. HUMPHREY. That is correct.

Mr. IVES. Mr. President, will the Senator yield on that point?

Mr. HUMPHREY. I yield to the Senator from New York.

Mr. IVES. The Senator from New York would like to inquire of the able Senator from Minnesota if he does not recall that the chief reason why the two great veterans' organizations favor Reorganization Plan No. 2 is because of the merger which is contemplated under it of the Veterans' Employment Service and the Employment Service itself in the Department of Labor, or in one agency of the Government. In that connection the Senator from New York would also like to ask the Senator from Minnesota if he does not realize, as I know he does, that that merger can be effected now, insofar as those two subagencies are concerned, without any Reorganization Plan No. 2.

Mr. HUMPHREY. It is true that the veterans' representatives were primarily concerned with the matter of the Veterans' Placement Service, and also the Advisory Board. However, I think it should be crystal clear that the Reorganization Act of 1949 does permit this regrouping without any legal difficulties, and there is a special public law setting up the Veterans' Placement Service, and there is special law and regulation setting up the Advisory Board. For them to be consolidated and coordinated without too much difficulty, Reorganization Plan No. 2 would be needed.

Mr. IVES. The Senator understands, does he not, that that can be done, nevertheless, without legislation?

Mr. HUMPHREY. I am not sure of that. I would not want to deny it. I am not trying to duck the issue. If later in the discussion we can get together on this, I shall be glad to look into it. I am not informed on that matter.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Illinois.

Mr. DOUGLAS. Did the Senator from Minnesota receive large numbers of letters from business groups in his State, as many of us did from our States, demanding that we put into effect immediately the recommendations of the Hoover Commission?

Mr. HUMPHREY. Yes, indeed; I received hundreds of them.

Mr. DOUGLAS. Did those letters please the Senator from Minnesota, as they did the junior Senator from Illinois, as indicating an interest on the part of business groups in behalf of efficiency and economy in our Government?

Mr. HUMPHREY. I would say that the junior Senator from Minnesota was highly pleased, because he was for the Hoover Commission recommendations.

Mr. DOUGLAS. The letters demanded speedy action by us upon the detailed recommendations of the Hoover Commission, did they not?

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. Has the Senator from Minnesota been impressed with the fact that suddenly many of the same groups who only a few weeks ago were demanding that we take affirmative action upon the recommendations of the

Hoover Commission are now writing demanding that these recommendations of the Hoover Commission be rejected?

Mr. HUMPHREY. I have been very much impressed, and let me say a bit confused, and at times disappointed, because of that. I have in my office letters from organizations in my own State and in other areas which have besought me as one individual to support down the line, the Hoover Commission recommendations. They say, "Do not take out your pet project, Senator. Be careful now how you line up." And all at once we get a couple of reorganization plans, and particularly Reorganization Plan No. 2, and now we find that that plan simply should not be approved.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. In other words many of the same groups which a short time ago demanded that the Hoover recommendations be put into effect en bloc are now all demanding that this particular recommendation of the Hoover Commission be not enacted.

Mr. IVES. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. GRAHAM in the chair). Does the Senator from Minnesota yield to the Senator from New York?

Mr. HUMPHREY. I yield.

Mr. IVES. The Senator from New York cannot let the statement just made go by without an observation and a question.

Mr. HUMPHREY. I yield for a question.

Mr. IVES. The Senator from New York would like to ask the Senator from Minnesota if he does not recognize that when the petitions, the recommendations, the appeals came in from civic organizations and businessmen and others, those who made the appeals were talking about the Hoover recommendations themselves as integrated entities. They were not talking about isolated matters that might be collected together. They were not talking about partial plans. They were talking about the over-all recommendations made by the Hoover Commission, were they not? So when Reorganization Plan No. 1 was sent to Congress, since it is a plan which did not follow the Hoover Commission's proposals, and when Reorganization Plan No. 2 came to Congress, since it is a plan which follows only in slight degree the Hoover reorganizational proposals, the Senator from New York would like to ask the Senator from Minnesota if he does not recognize that there is a vast difference between the position taken in the first instance by these groups and the position taken now with respect to these particular reorganization plans?

Mr. HUMPHREY. Mr. President, I assume from the Senator's observation and question that he is satisfied that what actually happened was that the American people were for the Hoover Commission and its activities?

Mr. IVES. And recommendations.

Mr. HUMPHREY. On the broad general basis.

Mr. IVES. That is correct.

Mr. HUMPHREY. I am also assuming, from the Senator's statement, that he believes the people in my neighborhood, in my home city of Minneapolis and State of Minnesota did not know about the reports of the task force, did not know about the reports of the Hoover Commission, for example, respecting the Federal Security Agency or the Department of Labor. When the Senator makes that sort of observation he is dead wrong, because the people who have been writing to me have done so in detail concerning the Hoover Commission reports. They have written to me as though they were experts in this field. In fact, some of the men who wrote me from my State were on the task force in the field.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LODGE. I should like to suggest this thought to the able Senator from Minnesota. Let us admit that we would prefer it if the first and second steps were proposed in one package. But if that is not done, should not we nevertheless support the first step? Then the responsibility is squarely on the Executive if he does not give us the second step. But if we have turned down the first step, then we have clearly put ourselves in the wrong, it seems to me, and have made it clear that we do not favor the Hoover Commission report, simply because we can get it all in our own way. I ask the Senator from Minnesota if it is not better to get a little bit—half a loaf is better than none—and if we do not follow the precept of half a loaf being better than none do we not put ourselves hopelessly in the wrong?

Mr. HUMPHREY. I commend the Senator from Massachusetts for that observation. The Senator has really tied it all up in one paragraph, and has said exactly what needs to be said. To be sure, I think both the Senator from Massachusetts and I would like to see more of the recommendations which the Hoover Commission made contained in the reorganization plans. As a matter of fact, I was a little disappointed; I thought the President could have gone further. But he did not.

Mr. President, I believe in automobile transportation.

Mr. IVES. Mr. President, will the Senator yield?

Mr. HUMPHREY. I should like to complete the observation I began to make. I should like to have the privilege of having a Cadillac. I believe in automobile transportation. And because I believe in automobile transportation I would not say that I will not drive in a second-hand Ford automobile simply because of the fact that I cannot have a new Cadillac.

Mr. President, we believe in reorganization. We would like to have real reorganization. We know, however, that in 1949 we cannot secure all the reorganization we want. We would like to go further than we are going. But we should not say that we will not take a step forward simply because we cannot go the whole way now. If we took such a position, that would not make any

sense. Let us take this forward step, and then say to the President, "We do not want to render lip service only to the reorganizations proposed by the Hoover Commission. Let us get busy and get it all done."

Mr. IVES and Mr. DOUGLAS addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Minnesota yield, and if so, to whom?

Mr. HUMPHREY. I yield first to the Senator from New York. He previously asked me to yield to him.

Mr. IVES. The Senator from New York appreciates the fact that the Senator has yielded to him. The Senator from New York, however, does not quite follow the analogy of the Senator from Minnesota in talking about a Ford and a Cadillac. It seems to me that if we wanted a real analogy with what is now proposed, so far as Reorganization Plan No. 2 is concerned, we might better compare it with lemonade made simply of lemon and water, without any sugar. I believe many of our people feel that all they are getting under this plan is a lemon.

Mr. HUMPHREY. Mr. President, we must be extremely careful as to remarks and observations made respecting various analogies. What I was trying to point out was that we are endeavoring to secure a little part of the whole program that may eventually be presented. I believe we should make an honest effort to take forward steps as quickly as we can.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Did not the Senator from Massachusetts make a very important point when he implied that if we approve this plan it will give the Executive the courage to go ahead and propose certain further fundamental plans, whereas if we turn this plan down it will be a virtual signal to him that he cannot get anything through Congress?

Mr. HUMPHREY. That is correct.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LODGE. Will the Senator from Minnesota, as a medical expert, permit me to ask whether it is not true that the juice of a lemon is valuable in preventing scurvy, and the fact that the body politic takes in a little of that, without the sugar, can nevertheless advance the cause; and is not that what the Senator from Minnesota would describe as a placebo?

Mr. HUMPHREY. I may say to the Senator from Massachusetts that my association with the healing art was strictly on the basis of dispensing, not prescribing. Lest I be guilty of any infraction of the rules relating to the healing art, I shall stay only within that field relating to dispensing. But I can make the layman's observation that the lemon juice which the distinguished Senator from New York is talking about is exactly what the Government needs to sort of pucker it up a little bit. Lemon juice at least contains a little of vitamin C which will put a little more life into the activities of government and a little more efficiency as well.

I think it would be a good thing to permit the Senator from Minnesota to desist from any further discussion of Reorganization Plan No. 2. Others of my colleagues desire to discuss it.

Mr. IVES. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. IVES. The Senator from Minnesota would not want to let this particular part of the discussion be dropped at this point with the idea that in this instance we are dealing with scurvy?

Mr. HUMPHREY. I wish to make the statement that the observation in question was made by the distinguished Senator from Massachusetts [Mr. LODGE]. It was simply an analogy, or a symbolic observation. To be sure, inefficiency, waste, duplication, and the kind of things which the Hoover Commission was trying to avoid and eliminate, are political scurvy. I am willing to go along with the distinguished Senator from Massachusetts and say that if we have not the courage to enact the Hoover Commission recommendations when there is so little controversy about them as there is with respect to this one, which is unanimously supported, we are willing to underwrite the kind of political scurvy which comes from waste, inefficiency, duplication, and all the other things that go with it.

Mr. IVES. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. IVES. So long as we have built up the idea of scurvy to a glorified position, the Senator from New York would very much like to ask the Senator from Minnesota if he does not remember that at no time during the hearings did anyone in high authority, either the Secretary of Labor or anyone else who came before the committee, insist or promise, or even hazard a guess that this plan would insure economy or reduce cost. The best we could get out of them was that they thought we might get more efficiency. Nowhere did we find that there was going to be any reduction in actual cost of operation.

Mr. HUMPHREY. Former President Hoover said that we would bring about some economy.

Mr. IVES. He said that we should.

Mr. HUMPHREY. He said that we could and would.

Mr. IVES. He said that we should.

Mr. HUMPHREY. I point out also that the Brookings Institution and the task force said that we could. The Senator from New York may say, "Will you?" I cannot tell the Senator. After all, I think the Secretary of Labor is to be commended for not promising more than he was sure he could deliver.

Mr. IVES. I am not criticizing the Secretary of Labor. I have a very high regard for him.

Mr. HUMPHREY. I am sure that we should both end on that note. We both have a high regard for the Secretary of Labor. I want to say to my good friend, a very able and experienced legislator, as well as administrator, that I am sure he and I both have the same objectives in mind. I have talked with the Senator from New York privately on this

subject. I know that his effort is constructive. I know that he wants to have these recommendations put into effect. It is for the Senate to decide whether or not it should be done now, or whether we need more information.

Personally I think we have sufficient information to make this preliminary move. If it is the judgment of the Senate that we should abide by the evaluation and analysis of the Senator from New York, I am sure that he and I will join at a later date in seeing that this job is done with dispatch and with care. I think the time is now at hand. As has been said, it is a little later than some of us think.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield.

Mr. LANGER. Was there any testimony in the hearings that if we adopted the various plans there would be a saving of \$3,000,000,000 a year?

Mr. HUMPHREY. I must say that so far as I personally know there have been statements to the effect that there could be savings of that amount. I know of no one who has said that there actually would be such savings. It is my personal opinion that if the Commission's recommendations were adopted, we could make substantial savings.

Mr. LODGE. Mr. President, will the Senator yield for one further question?

Mr. HUMPHREY. I yield.

Mr. LODGE. Did not Mr. Hoover say in the hearings categorically that enactment of this plan would lead to savings? He did not mention a specific amount.

Mr. HUMPHREY. Is the Senator referring to Reorganization Plan No. 2?

Mr. LODGE. Yes.

Mr. HUMPHREY. He categorically stated that it could and would lead to savings.

Mr. President, I shall now take my seat.

Mr. DONNELL. Mr. President, I have listened with much interest to the concluding portion of the address of the Senator from Minnesota. I am sure that I should have listened with equal interest to the earlier portion, but I was not in the Chamber during much of it.

I share with him the great admiration which he has so eloquently expressed for Mr. Hoover and for the Hoover Commission. I am pleased to note the eulogy which the distinguished Senator has given to a former President of the United States who happens to belong to a different political party than that to which the Senator from Minnesota adheres.

I do not in any sense indicate by my opposition—and it will be opposition—to Reorganization Plan No. 2 any lack of appreciation of the fine public service which has been rendered to our Nation by this Commission. However, I feel that the United States Senate is, after all, a body which has some responsibility upon its own shoulders. Therefore, it does not seem to me that merely because a plan shall have been approved—even if approved in toto—by the Hoover Commission, it necessarily follows that the United States Senate, without considera-

tion, without debate, and without argument, should adopt the findings of that Commission.

Mr. President, I was one who was in great doubt as to the advisability of the Congress delegating to the President of the United States the powers of reorganization which enable the President to submit to Congress virtual legislation—yes, in some instances action which I think repeals or may repeal positive statutes of the United States, letting the recommendations of the President become law unless Congress shall, within a limited time, exercise the power of veto over what the President has done. As some Members of the Senate may possibly recall, I expressed myself on two different occasions in the past few years with respect to this question. On two different occasions I presented some views designed to indicate what I thought was the unconstitutionality of the delegation, as I considered it, of legislative power. I pointed out to the Senate at that time, as Senators, of course, realize, that in the report of the Judiciary Committee itself, from which legislation of the type of the Reorganization Act of 1949 emanated in earlier years, the committee itself, time and time again in its report, referred to what was being done as a delegation of legislative power.

I still have very grave doubt as to whether Congress has it within its power to delegate one shred of legislative power to either of the other branches of our Government. I appreciate, of course, that Congress has it within its power to turn over ministerial or administrative duties, to lay down a broad statute and prescribe standards, and leave it to somebody, some officer or series of officers, to determine whether or not a particular action proposed comes within the standards.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. WILEY. I wonder if the distinguished Senator is aware of the fact that when the present Chief Justice of the United States was a Member of the House of Representatives he took exactly the position the Senator has taken, and that a very learned debate took place on the floor of the House in which he took the position that the delegation of power, or the attempt to delegate power to the President to reorganize the departments, was in direct contravention of the Constitution.

Mr. DONNELL. I did not know that; and I am very greatly interested by the information conveyed to me at this moment by the Senator from Wisconsin.

Mr. President, I was about to say that after having presented on two different occasions as well as I could views to the effect that legislation of the type of the Reorganization Act of 1949 constituted an unconstitutional, void delegation of legislative power, and having been defeated by the vote of the Senate upon that question, I finally came to the conclusion that perhaps there are some instances—and I have no doubt there are very many—in which I am wrong and the other man is right. Consequently, while I do not recall whether there was

a record vote upon the final passage of the Reorganization Act of 1949, I may say that in pursuance of the thought that the Senate having itself determined—indeed the Congress having determined—that in its judgment it is constitutional to pass such an act, I came to the conclusion that I should either vote for, or certainly should not object to, the Reorganization Act of 1949. I do not recall whether there was a record vote upon the final passage of that measure, but certainly I was not opposed to it.

These thoughts with respect to the constitutionality or absence of constitutionality of legislation of the type of the Reorganization Act of 1949 come to my mind by reason of the discussion of the past few minutes. They come to my mind in view of the point which seems to be so vigorously urged and so strongly argued, to the effect that, the Hoover Commission having taken a particular position, it devolves upon us as Members of Congress to vote favorably to its recommendations. I do not know whether or not there has been a distinct statement to the effect that we should be bound—I assume no one would make that statement—by the recommendations of the Commission. But certainly the point was vigorously made since I returned to the Chamber a few minutes ago, by the Senator from Minnesota. It leads to the reasonable inference that unless there is something grossly wrong with the Hoover Commission report we should act as a rubber stamp to enact its recommendations.

As I indicated at the outset, I yield to no one in admiration for the distinguished Chairman, Mr. Hoover. Nor do I yield to anyone in admiration of the work which has been done by this Commission. Nor do I yield to anyone in my expectation that many of the recommendations of the Hoover Commission will be put into effect by the Congress. But, after all, the Hoover Commission is but an arm of Congress. It has made its recommendations to the Congress; and its devolves upon every Member of the Senate and every Member of the House, as I see it, to consider whether or not those recommendations are sound, and to use his own judgment in making his final vote upon such recommendations.

Reorganization Plan No. 2, which is proposed to us at this time by the President of the United States, provides that the Bureau of Employment Security, which includes both the United States Employment Service and the Unemployment Insurance Service, shall be transferred to the Department of Labor. The reorganization plan has several other points to which I shall make reference only by way of enumeration, for my discussion this afternoon will be confined to the proposed transfer to the Department of Labor of the Bureau of Employment Security, including the two services I have mentioned, the United States Employment Service and the Unemployment Insurance Service. The other features of the plan are that the Veterans Placement Service Board is proposed to be transferred to the Secretary of Labor, and the Federal Advisory Council, which was established pursuant to the act of

June 6, 1933, is proposed to be transferred to the Department of Labor. In addition, there is the final section regarding the transfer to the Department of Labor, for use in connection with the functions transferred by the provisions of this plan, of various personnel, property, records, balances of appropriations, and so forth.

Mr. President, as I have said, I shall speak first on the question of whether it is advisable to have transferred to the Department of Labor the two services included in the Bureau of Employment Security and enumerated in the President's reorganization plan, namely, the United States Employment Service and the Unemployment Insurance Service. Unless some other point arises which I think it desirable to discuss, I shall confine my statement strictly to the proposed transfer of these two Services.

Where have these two Services resided during their history? I should like to establish two parallel columns in the minds of Senators, and place in one column the development of the United States Employment Service, and in the other column the development of the Unemployment Insurance Service. I see now in the Chamber at least three Members of the Senate, friends of mine, who, in recent years, have been governors of their States, and I know they have very clearly in mind the general functions of those two Services, and their general relationship. Doubtless the other Members of the Senate also do, but the three Senators I have mentioned do so particularly because of their close contact with those Services.

I shall first say a few words in regard to where the United States Employment Service has been during its history. It was created by the Wagner-Peyser Act of June 6, 1933, and by that act was established in the Department of Labor. Six years thereafter, Reorganization Plan No. 1 was promulgated by President Franklin D. Roosevelt. It became effective on July 1, 1939, and transferred the United States Employment Service from the Department of Labor—although it had been in that department for slightly over 6 years—to the Federal Security Agency.

I digress at this point to dwell on the significance of the fact that after the experience of more than 6 years of the United States Employment Service, the President and the Congress deemed it advisable to take that Service away from the Department of Labor, in which it is proposed to be placed by the reorganization plan now before the Senate, and place it in the Federal Security Agency.

Mr. THYE. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. THYE. Can the Senator explain why it was transferred?

Mr. DONNELL. I shall come to that in a moment. I shall state what the President of the United States had to say about it.

Mr. President, after the State employment services were taken over by the Federal Government—and every Senator who formerly was a governor will re-

member when that occurred and will remember the problems which arose, doubtless, in the minds of so many governors as to whether it was proper to transfer State services to the Federal Government—the United States Employment Service was transferred from the Federal Security Agency to the War Manpower Commission, by Executive order of September 17, 1942. Of course it is obvious that it was of the highest importance, the country then being engaged in war, that activities of this type should have been consolidated in the War Manpower Commission.

On September 19, 1945, when the War Manpower Commission was abolished, the Service was returned to the Department of Labor, by Executive Order 9617. Then, Mr. President, effective July 1, 1948, the Service was transferred by Congress, under Public Law 646 to the Federal Security Agency. My recollection is that notwithstanding the fact that congressional action was effective July 1, 1948, in that respect, this Service would automatically have been retransferred to the Federal Security Agency 6 months after the conclusion of the war, I think, under the terms of the War Powers Act. My memory in that respect may be inaccurate. However, it is certain that by the act effective July 1, 1948, Public Law 646, the United States Employment Service was transferred to the Federal Security Agency.

In the other imaginary column which I have mentally drawn up is the history of the Unemployment Insurance Service. That history is much shorter and much simpler. That Service has been in the social-security branch of the Government since the enactment of the Social Security Act of August 14, 1935, and it never has been in the Department of Labor.

So we find—to revert for a moment to July 1, 1948, with the transfer on that date of the United States Employment Service back to the Federal Security Agency—that the United States Security Agency then resided side by side with the Unemployment Insurance Service in the Federal Security Agency. Today both of them are in the Bureau of Employment Security of the Federal Security Agency.

Mr. President, in a very short time I shall answer the Senator from Minnesota. I wish to refer, first, to a statement by President Roosevelt. I do not wish the Senator from Minnesota to think his question will remain unanswered.

The United States Employment Service and the Unemployment Insurance Service should be operated, I submit, in the same agency or department. The report of the Committee on Expenditures in the Executive Departments, filed on August 8, 1949, has this to say, at page 6:

There was general agreement on the part of all witnesses, both for and against the plan, that the United States Employment Service and the Unemployment Compensation Service, which are the major components of the Bureau of Employment Security, should continue to be operated in conjunction with each other, regardless of any action taken on the plan.

So I shall assume that, with like unanimity of opinion, the Members of the Senate generally speaking will agree that the two Services should continue to be operated in conjunction with each other, regardless of what action is taken on this plan. The question of course which then arises is, should the place in which the two Services shall be operated be the Department of Labor?

Mr. President, I now address myself to the question of the Senator from Minnesota. I have before me the message issued on April 25, 1939, by President Franklin D. Roosevelt, with respect to Reorganization Plan No. 1, the plan which became effective on July 1 of the same year, 1939. In the message of the President occurs language which I trust will answer the Senator. President Roosevelt said:

I find it necessary and desirable to group in a Federal security agency those agencies of the Government, the major purposes of which—

I underscore mentally, though they are not underscored by the President, the words "the major purposes." He says:

I find it necessary and desirable to group in a Federal security agency those agencies of the Government, the major purposes of which are to promote social and economic security, educational opportunity, and the health of the citizens of the Nation.

The agencies to be grouped are the Social Security Board, now an independent establishment; the United States Employment Service, now in the Department of Labor; the Office of Education, now in the Department of the Interior; the Public Health Service, now in the Treasury Department; the National Youth Administration, now in the Works Progress Administration; and the Civilian Conservation Corps, now an independent agency.

Continuing, the President said:

The Social Security Board is placed under the Federal Security Agency, and at the same time the United States Employment Service is transferred from the Department of Labor and consolidated with the unemployment compensation functions of the Social Security Board in order that their similar and related functions of social and economic security may be placed under a single head and their internal operations simplified and integrated.

The unemployment compensation functions of the Social Security Board and the employment service of the Department of Labor are concerned with the same problem, that of the employment, or the unemployment, of the individual worker.

Therefore they deal necessarily with the same individual. These particular services to the particular individual also are bound up with the public-assistance activities of the Social Security Board.

I therefore submit to the Senate and to my friend from Minnesota, who inquired of me a few moments ago, that in this language the President of the United States, I think, stated very clearly his reason for transferring from the Department of Labor to the Federal Security Agency the United States Employment Service, which was then in the Department of Labor.

The Federal Security Agency issued its annual report for 1947. I appreciate the fact that the Federal Security Agency is here testifying in a way for itself, but

I think we are entitled to take into consideration what it says, and I desire to point out what it has to say, which I think bears upon the question at issue. The Federal Security Agency, in its 1947 annual report, at page 93, says:

It is important, too, that the employment security program continue to function as part of a comprehensive system of social security. Old-age and survivors insurance and unemployment insurance cover largely the same workers and should move in the direction of uniformity of coverage. With uniformity the reporting burden for employers would be simplified and the program made more understandable to workers. * * *

The employment security program also has close relationships with the public-assistance programs. Since both are Federal-State programs, both have been subject to a single set of personnel merit-system standards and, in many ways, a single set of fiscal standards. These devices make for ease and economy of administration and should be continued and expanded.

Mr. President, Congress has had before it on two occasions, when the membership of this body included a very large proportion of those who are now members of it, the question whether the Employment Service should be lodged in the Department of Labor. Also, in one instance, it has had before it the question whether the Federal Security Agency, the Bureau of Employment Security, should be lodged in the Department of Labor. What has Congress decided on these two questions?

In 1947 we had before us Reorganization Plan No. 2, presented to us by the President of the United States, in which it was proposed to lodge the Employment Service in the Department of Labor. I point out, of course, Members of the Senate, that this was objected to, or at least was objectionable, as I see it, on two grounds: one, the ground that the Department of Labor was not the proper repository for the Employment Service; the other, the fact that this involved a division, a separation of the two functions, the Employment Service and Unemployment Compensation. At any rate, the question was presented to Congress in 1947, whether the Employment Service should be placed in the Department of Labor; though in frankness I repeat, if I may, it involved separation of the two functions, and many a Senator may have voted against it who might have voted in favor of the placing of the function in the Department of Labor, had the two Services gone together. But the fact is that, regardless of what may have been the mental processes of Members of the Senate, Congress in 1947, in acting on the President's Reorganization Plan No. 2, declined to lodge the Employment Service in the Department of Labor, involving, as it did—and I repeat it so there can be no question as to a lack of frankness—involving, as it did, the separation of the two divisions of service.

But in 1948, Congress had a somewhat simpler problem. It then had before it Reorganization Plan No. 1 of 1948, which was submitted to it by the President. This plan did not involve any separation of the two functions. The plan involved turning over the functions both of the Employment Service and of the Bureau of Employment Security to the Depart-

ment of Labor. I take it most of us will recall at least dimly the fact that in 1948 the Congress declined, by disapproving Reorganization Plan No. 1 of 1948, to transfer the United States Employment Service and the Bureau of Employment Security to the Department of Labor.

So we had before us only last year this precise question as to whether the functions of the two services, keeping them together like the Siamese twins, should be transferred to the Department of Labor, a department in which, as I have previously indicated, one of them would be a total stranger, because the Unemployment Insurance Service has never at any time been in that department. Congress declined, only last year, as I say, to approve the transfer of the two services.

What are the functions of those two services? I raise this question not as a matter of historical or factual interest, but in order that it may enable at least myself to determine whether the Department of Labor is the better of the two departments in which to lodge these functions. By use of the word "better" I have no criticism of the Department of Labor. I have a very great regard for the work which has been done by that department. My relationships both with the former and late lamented Secretary Mr. Schwellenbach, and with the present Secretary of Labor, Mr. Tobin, have been very pleasant indeed, and I have enjoyed my contacts with both those gentlemen. But the question arises as to whether the Department of Labor is the Department in which these functions should be lodged from the standpoint of best carrying forward the purposes of the two functions. What are the functions of these two services? I shall not attempt to go into a technical discussion of them. Indeed, I would be in water too deep for me to swim were I to undertake to discuss the complications of the technical operations of the two services.

But President Truman has given to us a very admirable and concise statement himself, which indicates, I think, quite clearly, his concept of the functions of the United States Employment Service. By letter of January 19, 1948, in which the President submitted last year the proposed reorganization plan of 1948, he indicates the functions, as follows:

The provision of public employment offices which assists workers to get the jobs and employers to obtain labor.

The idea of obtaining jobs for workers and enabling employers to obtain labor from those workers, to the mind of the President of the United States, indicates the function of the United States Employment Service.

I think I should say, in fairness to the President, that in pointing out the functions of the two Services, he has come to a conclusion with which I most respectfully disagree, that the function to which I have referred "belongs under the leadership of the Secretary of Labor." But I was not quoting him with the design of indicating the ultimate conclusion, but rather the question as to what is the function of the United States Employment Service. As its name indicates, the assistance of workers to get jobs and employers to obtain labor, as the President

has so clearly indicated, constitutes a very excellent statement of the function.

The President has given us in his same message on January 19, 1948, the following statement which indicates his view as to the functions of the Unemployment Insurance Agency:

The Bureau of Employment Security in the Federal Security Agency administers the Federal activities relating to the nationwide unemployment-compensation system. As a practical matter, these functions have proved to be intimately related to those of the United States Employment Service. Under existing State laws, claimants for unemployment compensation must register with the Employment Service before they may become eligible for benefits. In consequence, nearly all States have assigned the administration of those two programs to the same agency.

Thus it is, Mr. President, that the President of the United States not only emphasizes the importance of the assignment of the administration of these two agencies to the same agency, but also what he indicates to be the intimate relationship between the two Services and the duties and functions of the Unemployment Insurance Agency.

To simplify it perhaps a little bit more than does this very carefully worded statement of the President, let me say that if a man requests unemployment compensation, the theory of the law is, as I understand, that he must in some way evidence his willingness to take a job. He will not be given unemployment compensation unless he does evidence his willingness to be employed. I take it we all see the fairness of that. If any other rule were to be followed the unemployment-compensation plan would be but an encouragement to idleness and failure to work. So, obviously, these two Services have the functions, I think, which the President of the United States has indicated.

I now come to the question, Can the task of the two services be best performed in the Labor Department or in the Federal Security Agency? In answer to that question, I think it is fundamental that we should arrive at what is the major purpose to be achieved by the carrying out of the functions of each of these services. What is the major purpose of each of the respective Services? The late President Roosevelt had some ideas on this proposition. I have already quoted from his message of April 25, 1939, and I repeat the language in which he considered that the United States Employment Service of the Social Security Board was among the agencies "the major purposes of which"—and it will be recalled that I emphasized "the major purposes of which" by stating that I was mentally underscoring the words—"the major purposes of which are to promote social and economic security, educational opportunity, and the health of the citizens of the United States."

If it be true, and I think it is, as the President of the United States stated, that the major purposes of these two services are to promote social and economic security, educational opportunity, and the health of the citizens of the Nation, obviously the Federal Security Agency is the appropriate repository of

both of the two services which I am discussing, namely, the United States Employment Service and the Unemployment Insurance Service.

Furthermore, the Congress, by declining to transfer in 1948, as I have previously indicated, these services to the Department of Labor, when presented by the President with a reorganization plan which proposed to transfer to the Department of Labor both these services, evidenced very strikingly and, to my mind, very conclusively, its then opinion, only a year or so old, that the Department of Labor is not the advisable place in which to repose the respective functions.

Why is this, Mr. President? I do not say that there is any less efficiency in one department than in the other. I do not say that the men who are at the head of one department are superior in integrity or in intention to those who are at the head of the other department; but the fact is that in addition to the major purposes of the two branches, the Unemployment Compensation Agency on the one hand and the Employment Service on the other, being, as President Roosevelt indicated, social and economic security, educational opportunity, and the health of the citizens of the Nation—in addition to that fact, let us not overlook the further important fact, which I think has a very important bearing, that the United States Employment service and the Unemployment Compensation Service affect two interests, first, the employer, and, second, the employee; or let me say, first, the employee, and, second, the employer. I do not discriminate in their importance. Consequently, both these services affecting both the employer and the employee, should be administered by a neutral agency, rather than by one created, as in the case of the Department of Labor, with its purpose defined by statute "to foster, promote, and develop the welfare of the wage earners of the United States, to improve working conditions, and to advance their opportunities for profitable employment."

That language is found in the act of 1913, signed, as I recall, by the father of one of the very distinguished Members of the Senate.

The Labor Department has, and very properly so, a trust relationship under which, as the trustee for *cestuis que trust*, the labor interests, it has the duty of fostering and promoting the welfare of the wage earners of the Nation. I do not mean to say that there is hostility, or that there should be hostility, between management and labor. We have all seen, regrettably, in particular instances, that there has existed such hostility, and I think we all hope for the day, though we may doubt whether it will come, when that hostility may be at least measurably reduced and possibly eliminated to the very greatest extent compatible with human dispositions. But, Mr. President, we find there are those two interests, on the one hand, management, and, on the other hand, labor. Just as I think labor would be fully justified in objecting to placing these two functions of employment and unemploy-

ment compensation in the Department of Commerce, I think the representatives of the employer interest likewise have a just ground for objection to placing these functions in the hands of a department which is a trustee for those with whom management deals, and is not a trustee for both. The Labor Department itself has indicated, and very commendably so, I think, its recognition of its duty to act as a trustee for the interests of labor.

I could give various illustrations of that. I mention particularly the fact that in the Department of Labor there are, in addition to the Secretary and the Under Secretary, neither of whom is a member of a labor union, so far as I am informed, two Assistant Secretaries, Mr. Wright, who is a member of the American Federation of Labor, and Mr. Gibson, who is a member of the Congress of Industrial Organizations. There is likewise an Assistant Secretary whose nomination we confirmed only a few days ago, Mr. Kaiser, who I understand is not a member of a labor union. In the Bureau of Labor Standards is Mr. William L. Connally, who, I think, presides over that particular portion of the activities of the Labor Department, who was at one time the president of the Rhode Island State Federation of Labor. I understand that he is now a member of the International Typographical Union, under the American Federation of Labor, and at one time was international representative of the International Typographical Union.

The fact is, as I see it, that management, considering the functions of the employment service and of unemployment compensation in which they have a very great stake and interest, just as labor has a great stake and interest, is entitled to have the apprehension in its own mind as to whether its interests will be as carefully looked after and will be as well conserved as they would be were these two processes confined to and reposed in a neutral agency.

Thus it is, Mr. President, that we find manifested by employers a very real fear of jeopardy, particularly in the matter of experience rating. I heard with much interest and satisfaction what the junior Senator from Minnesota said shortly after I returned to the Chamber, that he understands that Mr. Tobin, the present Secretary of Labor, has indicated his friendship toward the idea of experience rating, and that he did so in his official work, I believe the Senator said, while he, Mr. Tobin, was Governor of Massachusetts. But, as the Senator from Minnesota very appropriately observed in the immediately following sentence or sentences, we are not to judge this reorganization plan by the mere accident of who happens to be at the moment occupying the position of Secretary of Labor.

Mr. President, surrounded as the Secretary is, and doubtless will be, by those who represent labor unions, as I have indicated, a member of the American Federation of Labor, and a member of the CIO, being two of the Assistant Secretaries of Labor, I undertake to say that those who favor the development and

progress of the plans looking toward experience-rating provisions may well consider with apprehension, and may justly consider with apprehension, and may hesitate to avail themselves of the services of the Employment Service of the United States, because of the fear of the jeopardy of the experience-rating system.

Mr. President, it was my privilege to read some time back the testimony taken in 1948 in the hearings before the committee in the Seventy-ninth Congress, at page 1215, the testimony of Mr. Abraham L. Zwerdling, the president of the United Automobile Workers of America, CIO, who said:

We strongly urge this committee to approve the adoption of language in the Social Security Act which will abolish experience-rating provisions in State laws. Such action will eliminate a system which offers a premium to persons who strive to save money by reducing essential benefits paid workers unemployed through no fault of their own.

Mr. Nelson H. Cruikshank, director of the social insurance activities of the American Federation of Labor, in testifying before the House Committee on Ways and Means, at page 1396, said:

From long experience the American Federation of Labor is convinced that the most desirable single improvement that could be made in the present Federal-State program would be the elimination of the encouragement to the enactment of experience rating provisions in the State laws. This could be done by amending the Federal Unemployment Tax Act of the Internal Revenue Code to remove the additional credit provision for reductions in contribution rates resulting from experience rating.

A report was presented at the thirteenth national conference on labor legislation in December 1946, which report was published by the Department of Labor. Included in that report was this language:

Those present were mainly labor commissioners and representatives of organized labor.

Again:

The experience rating provisions in State laws have not proven effective in stabilizing employment but have proven to be powerful incentives to the adding of disqualification and restrictive eligibility provisions to the State laws, and to narrow interpretation of those provisions with the result that many persons in need of protection of unemployment insurance are deprived of their benefits.

The committee recommends that the experience rating provisions be removed from State Unemployment Compensation laws.

So, Mr. President, without at this moment undertaking to espouse or oppose experience rating plans, I submit that those members of the ranks of employers who are fearful of what may happen under such a plan, if there shall be placed in the Department of Labor these two services, the Employment Service and the Unemployment Insurance Compensation, have very just ground for their apprehension, particularly in view of the fact that two of the three Assistant Secretaries of Labor are members of labor unions, and the other gentleman, Mr. CONNALLY, to whom I have referred, has occupied the exalted position with the labor union which I have mentioned.

It is not strange, therefore, I take it, that we find in the report of the committee, issued on August 8 of this year, this language:

Interpreting the basic statute which established the Department of Labor as a mandate in the interests of one segment of the population only, opponents of Reorganization Plan No. 2 vigorously charged the Department with flagrant bias—

I pause there. I am not in accord with a statement to that effect. I have seen no indication of flagrant bias, but I am saying what the employers feel about it. I continue reading from the report—

pointed out that major labor organizations not only were represented at but dominated its top organization level, and expressed fear that employers would refuse to use the facilities of the Employment Service if it were transferred to the Department. Witnesses further alleged that transfer of the Bureau of Employment Security to the Department of Labor would result in eventual abolition of the efficiency rating system, under which formulas employers may obtain reduction in their unemployment-compensation tax rates if they achieve consistent employment records, pointing to the opposition of the Thirteenth Annual Conference of Labor Officials in 1946, sponsored by the Department of Labor, which adopted a resolution recommending that the experience rating provisions be removed from State unemployment laws, and the consistent opposition of labor organizations to the system since.

So, Mr. President, I respectfully have risen this afternoon to oppose the approval of Reorganization Plan No. 2. The plan, as I have indicated, excludes several things, to only a portion of which I have paid attention. Those to which I have paid attention are the transfer proposed by the plan of the United States Employment Service and the Unemployment Service to the Department of Labor.

I have submitted, first, that while I am most grateful, as we all are, to the Commission and to its distinguished head, Mr. Hoover, for the fine work which has been done by all the members, including the Chairman of the Commission, nevertheless I feel there is a duty on the Members of the Senate which could not be evaded even if we sought to do so. There is a duty on us to exercise our independent judgment on each and every proposal which shall be presented to us.

I have pointed out something as to the history of these respective Services, where they have resided during the period of their existence; the fact that the United States Employment Service has been in one place or another, which is explained entirely by the fact that just before the war it was necessary that the repository be changed from the Department of Labor to the Federal Security Agency, and that during the war the Service was transferred to the War Manpower Commission.

On the other hand the Unemployment Service has been always in the Federal Security Agency, since the Social Security Act of 1935.

I have indicated that both these services are today in the Bureau of Employment Security of the Federal Security Agency.

I have pointed out further that these two services should be operated in the same agencies or departments as to which there is general unanimity of action.

Then I have attempted to discuss the question as to whether the place in which the two services shall be operated should be the Department of Labor. I have pointed out the views of President Roosevelt, which would indicate, as I endeavored to point out as clearly as possible, very positively his views that the proper depository for these functions is in the Federal Security branch of the Government.

I have pointed out the views presented by the Federal Security Agency itself.

I have pointed out, in addition to those facts, the action taken by Congress itself in 1947, when it declined to transfer one of these branches—by itself, it is true, the Employment Service—to the Department of Labor; and that a year later, only last year, Congress declined to transfer the two of them linked together to the Department of Labor, as is now proposed.

I endeavored to discuss also, Mr. President, the functions of the two services as having a bearing on which department they would be most appropriately kept within.

Finally I have discussed the question of whether or not it is desirable from the standpoint of the best service to the Nation at large to place the administration of these functions in an agency which by statute of the United States is made a trustee for one particular group of our people rather than leaving it in an agency which is designed to have the neutrality which it seems to me it is fair for all parties to desire to be possessed by an agency in which these functions are carried out.

Mr. HUMPHREY. Mr. President, I now yield 15 minutes to the distinguished Senator from Utah [Mr. THOMAS].

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield.

Mr. WHERRY. Does the Senator from Minnesota believe the debate will continue until 5 o'clock? That is, will all the time be consumed?

Mr. HUMPHREY. On behalf of those of us supporting Reorganization Plan No. 2 I will say that there are two or three more Senators who wish to make their presentations. I do not know how much time the Senator from Arkansas [Mr. McCLELLAN] expects to use.

Mr. McCLELLAN. Mr. President, I do not believe I have any more requests for time. I myself may use 5 or 6 minutes of time.

The PRESIDING OFFICER. The Chair recognizes the Senator from Utah.

Mr. THOMAS of Utah. Mr. President, I rise to support the President's recommendation. I find myself following my splendid colleague, the Senator from Missouri [Mr. DONNELL] who when discussing the Constitution, speaks so learnedly, as a lawyer, that I am very fearful even of mentioning the name of the document. I am not a lawyer, and have never argued a constitutional question from the standpoint of the law. As one who has gained his knowledge of the Constitution by having seen it in operation, and having seen what it has accomplished, I cannot refrain from at least saying that my concept of the Constitution is merely that it is a companion of the American people in the accomplishment of their ideals

and ideas. It was set up by the people, and it was set up to function for the people. It has done so.

Mr. President, whenever we argue that the Constitution stands in the way of the accomplishment of the people's objectives, then we are indirectly arguing in favor of overcoming what the people wish in a people's government.

Mr. President, the provisions contained in Reorganization Plan No. 2 have, in whole or in part, been subject to consideration by the Congress on numerous occasions, as the Senator from Missouri [Mr. DONNELL] has stated. Last year, for instance, the President submitted the Reorganization Plan No. 1 of 1948 which would have permanently placed the administration of the Federal employment services and the unemployment compensation functions in the Department of Labor. Congress did not accept this plan, primarily on the ground that no basic reorganization of the executive structure should be made until the Hoover Commission had submitted its report and recommendations. After a thorough study, this Commission has unanimously recommended that the Congress take affirmative action and transfer the Bureau of Employment Security to the Department of Labor. Now, these groups who opposed Reorganization Plan No. 1 of 1948 must find another basis for their efforts to emasculate the Department of Labor. These groups now raise their voices to proclaim that the Department of Labor is biased and that it cannot, for some unexplained reason, administer the functions of the Bureau of Employment Security in a fair and impartial manner. Those who are acquainted with the past performances of these groups will quickly recognize that this is the same old song, being sung by the same chorus, with slight variations.

The allegation of the bias of the Department of Labor is a charge which is easily made but one which has never been proved. They who make the charge are never specific and are never detailed, primarily because there is not a shred of evidence that the Department of Labor is biased in the performance of its statutory functions.

It is interesting to note that many of the chambers of commerce of the various States and cities in the country who now express their opposition to this Reorganization plan, were among the first to express their unqualified support for the recommendations of the Hoover Commission a few short months ago. Those of us who have talked to the businessmen of our States about the recommendations of the Hoover Commission know that the overwhelming majority of them want this Congress to take affirmative action in order to place these recommendations into effect. But unfortunately some of these business organizations are staffed with professionals who oppose any constructive measure concerning the Department of Labor, regardless of the consequences of their actions. These professionals began sending telegrams to their membership informing them that the Department of Labor was going to discriminate against the Nation's businessmen if Congress passed this reorganization plan. The members of the organ-

izations were urged to express these distorted fears to the Members of Congress. Many businessmen were induced to do so; most of them without realizing that the Secretary of Labor would have no administrative discretion to look beyond the law which he administers in carrying out his duties.

Mr. President, in support of the argument that the Department of Labor is not biased, I should like to point out the way in which thousands of businessmen cooperate with the Department each year and how these businessmen turn to the Department every day of the year for information which they use in connection with their business activities. These concrete demonstrations of confidence in the integrity of the Department are a matter of record—cold, hard facts instead of unsubstantiated allegations. The extent to which industry cooperates with the Bureau of Labor Statistics is clearly indicated in the following:

Approximately 15,000 retail establishments report the prices of food, household furnishings, and other items for inclusion in the Consumer's Price Index of the Bureau.

One hundred and ten thousand establishments report to the Bureau of Labor Statistics each month on their pay rolls and employment figures.

This year 10,000 establishments are cooperating in occupational wage surveys.

Eleven thousand establishments submit quarterly reports to the Bureau on accidents; 45,000 other establishments cooperate in the more comprehensive annual studies of accidents; 20,000 contractors are also cooperating in the current study of accidents occurring in the construction industry.

Another example of industry's confidence in the Department of Labor is shown by the fact that corporations like General Motors utilize the Bureau of Labor Statistics Consumers' Index for adjusting the escalator clause in its contract with the United Auto Workers. Contracts based on the escalator clause in the great garment industry also rely on this consumers' index. The record clearly indicates that these reckless charges against the Department by the professionals in business organizations are refuted by the actions of their rank-and-file members.

I should like to go into detail concerning the Consumers' Price Index of the Bureau of Labor Statistics. Thousands of business establishments cooperate with the Bureau of Labor Statistics on a voluntary basis in the surveys and analyses which are necessary in the preparation of this index.

An evaluation of some of the uses of the Consumers' Price Index shows that in the spring of 1947, for instance, the Bureau of Labor Statistics requested comments from the approximately 7,300 individuals and organizations on its monthly mailing list. During the first 8 days after these requests were sent, 1 out of 3 of these users of the index replied with their suggestions and comments. This survey showed that the

most important single use of the Consumers' Price Index was in connection with wage negotiations covering over 8,000,000 workers. Over 400 users of the index stated that the escalator clauses in their union-management contracts provided for changes in wage rates in accordance with changes in the Bureau of Labor Statistics' Consumers' Price Index.

The survey showed that manufacturers make a greater use of the index than any other single group. The survey indicated the following percentages of the index were used by various groups:

	Percent
Manufacturers.....	31.7
Wholesalers and retailers.....	11.5
Labor unions.....	9.6
Trade associations.....	7.7
Local governments.....	7.9
Research organizations.....	5.6
All others.....	26.0

At the present time 12,636 individuals and organizations receive the monthly report of the Consumers' Price Index, as compared with 7,300 in the early part of 1947. Do these facts indicate bias or lack of confidence in the work of the Bureau of Labor Statistics? Quite the contrary; it indicates the complete confidence manufacturers, both large and small, have in the impartiality and integrity of this Bureau.

In 1947, a business research advisory committee was created in the Bureau of Labor Statistics at the request of numerous business organizations. Through their representatives, these organizations stated that the Nation's business had a vital interest in the work carried on by the Bureau of Labor Statistics. The members of this committee are well qualified experts in particular fields of business problems. The membership of the committee includes such outstanding businessmen as the assistant vice president of the Baldwin Locomotive Works, the chief economist of the Western Electric Co., the vice president and controller of H. R. Macy & Co., the executive vice president of the National Retail Lumber Dealers Association, the president of the American Iron and Steel Institute, the chief economist of the National Association of Manufacturers, the director of economic research of the Chamber of Commerce of the United States, the president of the Cotton Textile Institute, the executive secretary of the National Sand and Gravel Association, the managing director of the National Electrical Manufacturers Association, and the chief economist of the National Industrial Conference Board.

The Commissioner of the Bureau of Labor Statistics utilizes this business research advisory committee in an advisory capacity, on policy as well as technical matters. The Bureau also seeks the advice of the committee concerning the formulation of the Bureau's program for each fiscal year. The Bureau keeps the members of the committee informed on the important details of the studies and analyses which it undertakes. This year the committee has established various subcommittees on construction, productivity, employment, wages, industrial

relations, wholesale-price index and consumer-price index. These subcommittees meet and discuss in detail the work of the Bureau. The record, therefore continues to emphasize how employers and business organizations have year after year utilized the services and facilities of the Department of Labor, participated in the activities of its committees, and placed confidence in the impartiality of its data.

Mr. President, I ask those who make allegations of bias against the Department of Labor to produce the facts, the proof, the tangible evidence to sustain their charges. I submit that those who indulge in this pastime cannot produce such evidence, simply because it does not exist.

The Department of Labor is an executive department, an agency charged with the responsibility of administering the acts of Congress. It is directed by officials who swear to an oath of office prescribed by Congress. The allegation that an executive agency of the Government is unfair or biased is, therefore, a very serious matter. I cannot believe that those who make such charges, unsupported by any evidence, realize the full implication of their acts. An allegation of this nature, founded on distortion, vague, and unsupported statements, attempts to undermine our confidence in the governmental structure at a time when we must proclaim faith in our democratic institutions.

Ample assurance is contained in this reorganization plan that the functions of the Bureau of Employment Security will be conducted in the same impartial manner as they are now conducted in the Federal Security Agency. I call attention to the Federal Advisory Council, which was established pursuant to the Wagner-Peyser Act. This Council has by statute the purpose "of formulating policies and discussing problems relating to employment and insuring impartiality, neutrality, and freedom from political influence in the solution of such problems."

By statute, the Council also has the right "of access to all files and records of the United States Employment Service." The Council is composed of men and women who represent employers and employees in equal numbers, and the public. There are 33 outstanding citizens serving on this Council at the present time.

Mr. President, under the provisions of Reorganization Plan No. 2 of 1949, this Council, which at present advises only as to the employment services, will also act in the future on matters relating to unemployment compensation. The representatives of employers and employees on the Council will have, by statute, the authority to check and scrutinize all the actions and policies of the Department of Labor regarding employment services and unemployment-compensation functions. I assure Senators that if there is any prejudicial action on the part of the Department of Labor in the administration of these functions it can be immediately publicized by the representatives of management.

At this point, I believe it would be well to examine the recommendations of the Committee on Reorganization of the Executive Branch of the Government with respect to the Bureau of Employment Security. This so-called Hoover Commission made the unanimous recommendation that the Bureau of Employment Security be transferred to the Department of Labor. This bipartisan Commission was created by Public Law 162 of the Eightieth Congress. It was composed of representatives of the public and of the executive and the legislative branches. It will be noticed that it did not include a single representative of labor, of a labor group, or of any labor organization. Two of the members of the Commission, however, were well-known employers. Both of them joined with the other members of the Commission in unanimously recommending the transfer of the Bureau of Employment Security to the Department of Labor. In commenting upon the desirability of this transfer the Commission said:

It is now generally agreed by both Federal and State officials that it is desirable to integrate fiscal and administrative review of the two State programs under the supervision of the same Federal department. The placement operations are the primary objectives of this dual arrangement. The paying of unemployment-compensation claims is a temporary expedient until the eligible worker can be brought back into the productive labor force. Occupational analysis, testing, reporting, counseling, and placement standards and procedures are the principal functions involved. These are employment functions.

Employment offices and unemployment compensation are more closely related to each other than to retirement or old-age assistance or educational programs. Both are Federal-State programs dealing with labor-force conditions and labor-management relations. These programs have close operating relationships with other employment and labor functions in the Department of Labor—with the Bureau of Labor Statistics, Women's Bureau, the Bureau of Labor Standards, and the Bureau of Veterans' Reemployment Rights. Personnel for these functions all acquire the same basic training in labor and employee relations problems.

In making its task force report to the Hoover Commission concerning public welfare, the Brookings Institution made the following statement:

One method of furthering * * * coordination would be to bring the facilities and resources of all agencies concerned with employment information, employment conditions, and employment processes under a common administrative head. This would be a proper statutory function of the Department of Labor, and adequate devices of congressional supervision and group consultation are available to foreclose any undue influence of either labor or management upon the administration of unemployment compensation.

The report also asserted:

It can hardly be questioned that better and less costly statistics could be obtained if the Bureau of Labor Statistics, the Employment Service, unemployment compensation, and possibly old-age and survivors insurance were in the same department.

This task force report of the Brookings Institution contained no point or fact in opposition to the transfer of the Bureau of Employment Security to the

Department of Labor. If there had been any foundation for the charge that the Department of Labor is biased, the Brookings Institute and the Hoover Commission would no doubt have considered and commented upon any such facts. The studies, investigations, and recommendations of the Hoover Commission stand as positive evidence that the Department of Labor has performed its statutory duties with absolute integrity and complete impartiality.

Several bureaus in the Department of Labor work in close cooperation with business. In March of this year, for example, the Bureau of Labor Standards conducted the President's Conference on Industrial Safety. This conference was called by the President in order to aid in the initiation of a program to reduce the enormous toll of industrial accidents and the economic hardships resulting from such accidents. Nearly 1,000 persons came from most of the States, Hawaii, and Canada in order to take part in that program. Management representatives were constituted the largest group in attendance there, constituting 42 percent of all those present. Those business representatives were a cross section of American business, from the smallest corporations to the largest. In contributing their support and cooperation to this program, they found the Department of Labor conducting a program which would result in saving American business millions of dollars each year, through the reduction of industrial hazards and accidents.

During the war the Bureau of Labor Standards utilized the services of hundreds of safety engineers, lent from private industry and paid by private employers, in carrying out its accident-prevention program. An advisory council used in connection with that program was composed of members of management and labor organizations.

Mr. President, Congress is not being asked to assume that the Bureau of Employment Security will be administered in an impartial manner and with due regard for the interests of all groups. The Department of Labor administered the United States Employment Service from 1933 to 1939 and from 1945 to 1948. The record achieved by the Department during those periods stands as convincing proof that the Employment Service was and will be conducted in an honest and efficient manner. The official records show that employers utilized the Employment Service more during each year it was in the Department of Labor from 1945 to 1948 than in any other peacetime year since the creation of the Service in 1933.

Mr. President, the common problems of the employment services and unemployment insurance are primarily concerned with labor placement and the economic hazards of unemployment. In order to give the worker the maximum assistance in meeting such problems, these functions must be properly coordinated in one agency. The Department of Labor is equipped with several of the services necessary to the proper administration of these functions. It has the necessary specialists and the wealth of

information on occupations, employment trends, wage rates, working conditions, labor legislation, and other matters essential to employment counseling and placement. In the interest of sound government and of efficient administration, it is necessary that the employment services and unemployment insurance functions utilize the services and facilities of the Department of Labor.

The PRESIDING OFFICER (Mr. HILL in the chair). The Senator's time has expired.

Mr. HUMPHREY. Mr. President, I yield to the Senator from Utah whatever additional time he requires.

Mr. THOMAS of Utah. I thank the Senator.

Mr. President, this reorganization plan places the emphasis in the most logical place. Primary emphasis will be directed toward the improvement of employment services in order to get unemployed persons back to work as rapidly as possible. From the standpoint of the worker, the employer and the public, the primary concern is employment. Although unemployment insurance benefits are essential, the workers' principal need and desire, in the event of unemployment, is a steady job. This objective can be realized by placing the Bureau of Employment Security in the same department with the Bureau of Labor Statistics, where the facts from all over the country are brought into the central offices, where there will be the factual information as to where there are shortages and surpluses in the labor market.

Mr. President, I have concluded that the Bureau of Employment Security will operate more efficiently in the Department of Labor than in the Federal Security Agency; that the recommendations of the Hoover Commission with respect to this transfer are based on sound principles of governmental organization; and that the evidence clearly and unmistakably shows that the Department of Labor will administer the Bureau of Employment Security in a fair and impartial manner. I sincerely urge my colleagues to join in voting to reject the resolution against Reorganization Plan No. 2, and, by so doing, to aid in the rebuilding of the Department of Labor to a position comparable with that of the other great executive departments.

Mr. McCLELLAN. Mr. President, I have no intention of taking considerable time on this issue. In fact, I had thought I would have nothing to say, because I do not regard this reorganization plan as one involving serious, vital, or fundamental issues, as I did Reorganization Plan No. 1, which I opposed. I felt that plan No. 1 involved something fundamental, something having far-reaching implications which ultimately would lead to unhappy consequences; and therefore I felt that plan No. 1 should be defeated.

As to plan No. 2, I see no such issue involved, although I shall vote against the plan because I see in it no economy, no increased efficiency.

The only actual justification and the greatest argument which has been urged in behalf of the plan, which would cause the transfer of these Services back to

the Department of Labor, is that it will build up the Department of Labor.

I served as a member of the Commission on Reorganization of the Executive Branch of the Government. I know just about what the discussions in that body were and the reasons assigned there for the recommendation that this transfer be made. The principal reason given for the proposed transfer was that in recent years the Department of Labor has been stripped of so many of its functions, so the Commission felt, that in order to strengthen the Department of Labor, these Services should be transferred to it.

Mr. President, my vote yesterday for the resolution of disapproval of Reorganization Plan No. 1 does not mean that I oppose the reorganization of the executive branch of the Government. I would have supported plan No. 1 insofar as the establishment or creation of a Welfare Department is concerned. To that, I have no objection. I did object, and I still disapprove and object to the effort which was made in that plan to put the public health services under the control of a Welfare Director, with unlimited power to organize, direct, and supervise them. I did not believe that was in the interest of the health of the Nation, or that an organization of that kind was in fact an effectual reorganization. I think the department in which they are placed makes very little difference to the United States Employment Service and the Unemployment Compensation Service. I do not believe any economy will be effected or any greater efficiency achieved by returning the Services to the Department of Labor.

There is but one objection, so far as I know, to the services being in the Department of Labor rather than in the Social Security Administration or elsewhere. The objection is, as has been stated here, and as the hearings fully reveal, that there is a fear which has been expressed over and over again by employers, that the Services if placed in the Department of Labor will be dominated, as they believe the Labor Department is, by the labor leaders of the country. Therefore, knowing that leaders of organized labor are interested in obtaining abolition of the merit system, they believed the Department would use all its power to accomplish that purpose.

It was further testified by a number of witnesses that for the Service to be operated properly and to be effective in the matter of placing workers who were unemployed, it was imperative there be full cooperation on the part of employers, and that if employers distrusted the agency in which the functions were lodged, or the administrative head of the agency, the employers would not cooperate with the Service, and therefore maximum benefits would not be obtained. That is the principal objection which is made.

It is argued and asserted by many that the fears which have been expressed are wholly unjustified. However unjustified they may be, if we indulge in that assumption, they are in existence; they are definitely present. It was revealed in the hearings, and we have had evidence

of it in many ways. So long as the fear continues, until the Department of Labor can ingratiate itself into the confidence of the employers and dispel this fear, it is very doubtful whether the transfer to the Department of Labor will be in the interest of the Services themselves.

As I stated in the beginning of my remarks, I have no deep feeling about this matter one way or the other. Frankly, I see no reason why the Services could not be well performed within the Department of Labor, if the Department should undertake to administer the functions fairly and impartially. I see no reason why they cannot be properly administered in the Social Security Administration, where they are now. I do not see anything to be gained one way or the other by the transfer. The only reason for my voting against the plan is simply the deep and abiding fear which seems to exist on the part of employers who feel that their interest would not be protected, and would not be in the hands of impartial administrators, if the change were made.

Mr. President, I should like to make a further comment about Reorganization Plan No. 1 and the action taken by the Senate yesterday in defeating it. I know it was urged that if the plan were defeated it would mean there would be no effectual reorganization. I do not feel that way about it. I believe every Member of this body honestly wants to see effected a good reorganization, and I believe most of us will cooperate to that end. We did not like the plan, the way it was set up. I note that former President Hoover is quoted in today's New York Herald Tribune. He apparently does not feel as many yesterday predicted, that the failure of plan No. 1 to become effective would doom to failure the whole reorganization scheme. I quote from Mr. Hoover's statement, issued to the press after learning the results of the action of the Senate yesterday. He said:

This is not a defeat for reorganization. I do not understand that the Senate was opposed to reorganization but disliked step-by-step action.

I think the former President is correct in his summation of the attitude of the Congress, or at least of the Senate. I may be mistaken, but from my own standpoint I think the President will get much better results, and the Congress will be far more inclined to go along and will be able to cooperate better if the reorganization plans are made comprehensive. The President should, if he desires to do so, follow the report of the Hoover Commission. Let him take the report and then lay before the Congress a plan substantially in line with it. But I think he should make it comprehensive so that when we look at the plan we shall know how far we are traveling and whether we are going all the way with respect to the functions and agencies that are involved. If we then do not like the Hoover Commission plan, or if we do not like whatever the Hoover Commission has recommended, the plan can be rejected. But if, looking at the Commission's recommendations, we see but a

part of it, and if, as former President Hoover said yesterday regarding plan No. 1, there are other imperative steps which must be taken in order to make it effective, we shall feel that the other steps ought to be included in one plan, so we can see it as an integrated whole and be guided by it. We can then either support it or oppose it.

I hope the plans that may come to us in the future will be more comprehensive in scope, and that, if they are in line with the Hoover Commission recommendation, they will not propose a step-by-step procedure, when the whole reorganization can be effected in one plan. I believe we will make much greater progress if that procedure be followed.

Mr. President, I shall not take further time on this particular plan. It has been pointed out by other Senators that there are seven additional recommendations by the Hoover Commission which might well have been incorporated in this plan, and the whole reorganization in this respect could have been completed and effected by this one action.

Mr. President, I introduced the pending resolution of disapproval after the Committee on Expenditures in the Executive Departments had voted disapproval of the plan and at the request of the majority of the committee. I shall vote for the resolution but I have no deep feeling about it.

Mr. HUMPHREY. Mr. President, I should like to yield whatever time is required for the remarks of the Senator from Maryland [Mr. O'CONOR].

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Mr. O'CONOR. Mr. President, I am grateful to my friend, the able Senator from Minnesota, for the allotment of time. I should like to say, before commenting on this particular plan, that I am highly gratified that the Senator from Arkansas [Mr. McCLELLAN] has expressed himself as he has concerning the results following and the situation resulting from our vote of yesterday in which I joined with him in expressing disapproval of the President's Reorganization Plan No. 1, because I can say, without exaggeration, that no one in the Senate more than the able senior Senator from Arkansas, the chairman of the committee, has labored so earnestly and has so devoted himself throughout, not weeks, but months, in order to bring about the consummation of the over-all program as the result of which, unquestionably, our governmental processes will be the beneficiary.

Mr. President, the vote we are about to take on Reorganization Plan No. 2 of 1949 is of great importance. It may well set a pattern for congressional action with respect to other reorganization plans to follow which are and will be in accord with the recommendations of the Hoover Commission, and which Reorganization Plan No. 1 was not.

It is clear that the Hoover Commission reached conclusions upon which Reorganization Plan No. 2 is based. Desiring to uphold the report of the Commission in its entirety, I shall vote against Senate Resolution No. 151.

Members of the Senate will recall that the Hoover Commission was a creature

of the Congress. It was set up by us to consider the organization of the executive branch of the Government. It was a bipartisan commission of distinguished persons, headed by former President Herbert Hoover and having the present Secretary of State, Dean Acheson, as its Vice Chairman. That Commission, after careful consideration of the subject and of a task-force report prepared by the Brookings Institution, unanimously recommended transfer of the Bureau of Employment Security from the Federal Security Agency to the Department of Labor. There were two outstanding employers among the 12 members of the Commission, and no representatives of labor. Both of the employers on the Commission joined in this recommendation.

I am not satisfied that convincing reasons have been advanced for rejection of this Hoover Commission recommendation and the reorganization plan implementing it.

The Brookings Institution task force report devoted several pages to a detailed exposition of the close relationship of the Bureau of Employment Security to other bureaus of the Department of Labor. The Hoover Commission concluded that there were "cogent reasons" why this Bureau should be transferred to the Department of Labor. It set forth these reasons clearly and persuasively. I am convinced that the reasoning of the Hoover Commission is entitled to great respect and that the interdependence of the Department of Labor and the Bureau of Employment Security is such that greater efficiency of operation can be effected by this transfer.

This plan has the support of the only living persons who have been Chief Executive of the United States. It also has the support of all the agencies which would be affected by the transfer. Representatives of the American Legion and the Veterans of Foreign Wars testified in favor of the plan during the hearings before our committee.

I am sure that many of the objections to the plan are based more on fears than on facts. I am convinced that the Bureau of Employment Security will be operated fairly, efficiently, and economically in the Department of Labor. Were I not satisfied as to these points, I would oppose the plan.

Mr. President, the Employment Service was in the Department of Labor from 1933 to 1939 and from 1945 to 1948. There is no evidence that the Service was not operated impartially and effectively while it was in that Department. There is no evidence that employers and workers could not use the Service while it was operated by the Department of Labor. On the contrary, during the years 1945 to 1948, the Employment Service had more job orders and placements than during any other peacetime years since the Wagner-Peyser Act was enacted in 1933. These facts should dispel any apprehensions with respect to operation of the Bureau of Employment Security in the Labor Department.

It must be borne in mind that any statutory revisions which would be required

to change either the merit-rating provisions of current laws, or the extent of unemployment-compensation payments or coverage, would have to be effected by the legislatures of the various States. No authority is given the Secretary of Labor under this plan to make any such substantive changes as some opponents of the plan seem to fear.

To my mind, maintaining maximum employment is one of the biggest problems we face today. I am anxious to see all reasonable steps taken to assure full employment and a high level of prosperity for our people. That is of great importance to us domestically. It is also vital to our fight against those elements who do not want our democratic system to be successful.

There are abundant reasons which might be cited in support of the proposal to place the employment service and unemployment-compensation functions in that agency so that they can best promote job opportunities. As the Hoover Commission noted:

The placement operations are the primary objectives. * * * The paying of unemployment-compensation claims is a temporary expedient until the eligible worker can be brought back into the productive labor force.

I would therefore put the Bureau of Employment Security in the Labor Department and rely upon that agency to emphasize jobs rather than unemployment-compensation payments.

I shall vote for the transfer because I believe that the Hoover Commission's over-all program is in the interest of efficiency and that its proposals, of which this is one, should enable the Government to provide better services for all our people.

Mr. MAYBANK. Mr. President, I should like to ask the Senator from Minnesota if he will yield in order that I may make a short statement, because the Appropriations Committee is meeting, and I shall have to attend.

Mr. HUMPHREY. I shall be more than happy to yield to the distinguished Senator from South Carolina whatever amount of time it may require for him to make his statement.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. MAYBANK. Mr. President, I assure the Senator from Minnesota that I appreciate his yielding to me. My statement will not be very long.

I favor this plan, Mr. President, because I believe that the Bureau of Employment Security belongs in the Department of Labor. I know all of us are in general agreement that the present economic conditions of the country are sound at the present time. Nevertheless, the fact remains that there now are some three and one-half or four million unemployed workers in this country. This means that there is greater unemployment, perhaps, than at any time during the past 10 years. Certainly there are more unemployed people now than at any time since our entry into the war. While this condition has not reached serious proportions, at the same time it is evident that the Congress must take any practicable steps within its power

which tend to reduce unemployment, and to make more effective the facilities of Government which assist workers in getting jobs.

I have been impressed with two outstanding facts presented in the course of this debate. The first is that the Bureau of Employment Security has the primary objective of placing workers in suitable employment. The second is that the Department of Labor, as contrasted with the Federal Security Agency, has as one of its primary functions the promotion of opportunities for profitable employment. It is unmistakable, Mr. President, that these are practically the same functions, and logically they should be joined together in the same agency.

On the other hand, as the distinguished Senator from Minnesota so ably demonstrated, the functions of the Federal Security Agency taken as a whole are, except for the Bureau of Employment Security, almost entirely unrelated to the business of helping workers to get jobs. This agency, as we all know, is concerned with the public health, the public welfare, and public education, in the strictest use of these terms. Except for the Bureau of Employment Security, this agency does not concern itself with employment problems or the operation of the labor market. It has nothing to do with labor-force conditions, with statistics on the occupational outlook, with the training of apprentices for entrance into the labor market, or meeting the problems arising from the employment of women under present-day conditions. None of these functions are carried out by the Federal Security Agency; whereas all of them, and others as well, are carried out by the Department of Labor.

It is almost self-evident that if we should place the Bureau of Employment Security in the Department of Labor we would be contributing to the more effective operation of that Bureau. We would also be contributing to the more effective operation of the present bureaus of the Department of Labor. When we coordinate all of these activities in one department, it seems to me that every one of these activities will benefit from a close day-to-day working relationship with the others.

I do not profess to know, Mr. President, whether or not this will result in any actual saving or decrease in costs of operations, but I can only conclude that not only the Bureau of Employment Security, but also the other bureaus of the Department of Labor, will unquestionably do a better job as a result of this transfer. In this way the taxpayers will get better value out of every dollar spent. In this way the Federal functions designed to help in the placement of workers will be improved. This improvement would logically cut down on the amounts which employers would have to pay by way of unemployment compensation benefits. And as an overall result, I believe that the Department of Labor and the Government as a whole would more fully accomplish their purpose of serving all of the people in our great democracy.

On account of these inescapable facts, Mr. President, I am heartily in favor of Reorganization Plan No. 2 of 1949.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed a joint resolution (H. J. Res. 339) amending an act making temporary appropriations for the fiscal year 1950, as amended, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 3440. An act for the addition of certain lands to Rocky Mountain National Park, Colo., and for other purposes; and

H. R. 5086. An act to accord privileges of free importation to members of the armed forces of other nations, to grant certain extensions of time for tax purposes, and to facilitate tax administration.

HOUSE JOINT RESOLUTION REFERRED

The Joint resolution (H. J. Res. 339) amending an act making temporary appropriations for the fiscal year 1950, as amended, and for other purposes, was read twice by its title, and referred to the Committee on Appropriations.

REORGANIZATION PLAN NO. 2, 1949, TRANSFERRING THE BUREAU OF EM- PLOYMENT SECURITY

The Senate resumed the consideration of the resolution (S. Res. 151) disapproving Reorganization Plan Numbered 2 of 1949.

Mr. HUMPHREY. Mr. President, I was hoping that in a very few moments the distinguished junior Senator from Oregon [Mr. MORSE] would be with us, and I am sure he will be. Until he returns to the Chamber, I think one or two observations might be made regarding the two most recent statements which have been presented, the first by the Senator from Maryland [Mr. O'CONNOR], the second by the Senator from South Carolina [Mr. MAYBANK].

Particular emphasis has been placed upon the relationship between the obtaining of the job, the placement of the worker on the job, and the insurance which has been set up for the worker in the field of unemployment compensation. I think that may be the key point in the transfer of the Bureau of Employment Security to the Department of Labor. I think that is the key argument, along with the matter of the efficiency and effectiveness which those of us who are supporting the plan believe will be the accomplished end of Reorganization Plan No. 2.

I hope that those who examine the RECORD after these debates have been concluded, and those who have been so kind and so helpful as to stay with us and to meditate and think about the proposal which is before us, will keep in mind that what is being attempted is an honest, conscientious effort to coordinate the activities looking toward work opportunities of a great governmental department which has particular re-

sponsibility for the welfare of working men and women. I think it is about time that in this country, and particularly in the Congress, we emphasize that what we need is productive work. Our programs of social insurance are exactly what they are called, programs of insurance against the despair as a result of unemployment and of poverty. No American has ever projected for a moment that the programs for unemployment compensation and social insurance were the answer. The answer to America's need is production; production is possible through employment, employment is possible through the job and the worker being brought together, and the job and the worker are brought together, in this very complex and difficult age in which we live, when we have an agency that is trained in the mechanics of bringing the job and the worker together.

Mr. President, I am now happy to yield whatever time may be needed by the distinguished Senator from Oregon [Mr. MORSE] to present further the case in behalf of Reorganization Plan No. 2.

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair). The Senator from Oregon is recognized.

Mr. MORSE. Mr. President, I thank the Senator from Minnesota for allowing me a few minutes to express my support of Reorganization Plan No. 2. In supporting and voting for Reorganization Plan No. 2 this afternoon I feel that I shall follow a very consistent policy in respect to my position on the Hoover Commission plans for the reorganization of the executive branch of the Government. Yesterday afternoon I voted against plan No. 1, and in voting against that plan I feel that I followed a very proper and consistent course of action, because of my conviction that we should try to put into effect the Hoover Commission program whenever we think the facts support the program and not vote for wide divergences from it. After a very thorough study of Reorganization Plan No. 1, I satisfied myself that on the merits of the arguments plan No. 1 could not be reconciled with the recommendations of the Hoover Commission in respect to the reorganization of the medical services of our Government.

I voted against plan No. 1 yesterday afternoon also because I had held a series of conferences with outstanding educational leaders, and they satisfied me, on the basis of the discussions I had with them, that plan No. 1 was not in accordance with the best objectives of the educational groups of the country in respect to the need of a reorganization of the educational services of the Federal Government.

I voted against plan No. 1 yesterday afternoon for a third and equally important reason, namely, that in my judgment it proposed to vest entirely too much arbitrary power in one administrator. In accordance with my political philosophy I fear bigness, I fear vesting great power in individuals, and I was satisfied that the power of arbitrary decision which plan No. 1 would have vested in the Administrator of the Department set up under the plan was greater than I think it is safe to give any man

if we are to be constantly vigilant in our protection of the democratic processes.

As I listened to the debate on plan No. 1 and also listened in many conferences to spokesmen for plan No. 1 who represented various groups I became more and more convinced that the plan was particularly desired by those who seek to advance the cause of compulsory health insurance in this country. I am satisfied that the best health interests of our people are not to be found in a system of compulsory health insurance. As a sponsor of one of the proposed pieces of health legislation, S. 1456, which is based upon a voluntary health insurance plan, I necessarily found myself in opposition to plan No. 1 because I decided that the administrative devices contained in it were designed or, at least, could be used to foster compulsory health insurance.

I do not agree that the defeat of plan No. 1 prevents sound reorganization of Government services in the field of health, education and welfare. There is a need for greater efficiency and economy in the operation of Government services dealing with health, education and welfare but I am satisfied those ends can be accomplished much better through a new reorganization plan which avoids the serious defects which I have just mentioned in respect to plan No. 1.

I, too, as the Senator from Arkansas [Mr. McCLELLAN] has pointed out, am pleased to note that former President Hoover has stated, in a press release of today, that the defeat of plan No. 1 yesterday does not in any way mean the defeat of reorganization plans in the particular fields to which plan No. 1 addressed itself. I am satisfied that the President of the United States, in a spirit of cooperation with the Congress, which characterizes the man, will review the objections which have been made to plan No. 1, and, even though it is not to be expected that he will agree with our particular arguments or objections, will nevertheless recognize that under the American democratic process of give-and-take it is now incumbent upon him to submit to Congress a reorganization of his own reorganization plan in respect to the subject matter of plan No. 1.

I sincerely hope that the next plan which the President will submit to us on this subject matter will be so closely in line with the basic principle of the Hoover report on the same subject matter, that the junior Senator from Oregon will find himself, on the next vote, in support of the position taken by the President of the United States.

I say that, Mr. President, because I think it is due to the President of the United States to have some member of the opposition party in the Senate of the United States extend to him very sincere commendation for the leadership he has been exercising in respect to the whole matter of the reorganization of the executive branch of our Government. Differ as I differed with him on plan No. 1, I have not differed with him on most of his other recommendations for reorganization because I think in the main he has followed the proposals for reorganization of the Hoover Commission reports. I think the people of the United States owe a great debt of gratitude to

the President of the United States for the leadership he has extended to them in the whole matter of reorganization of the executive branch of the Government. I certainly think the issue is a nonpartisan one. I think it is a task that should be performed by whoever is in the White House, be he a Democratic or a Republican President. Save and except for my difference with the President yesterday afternoon over plan No. 1, and a possible difference I may have with him over plan No. 7, I think he is doing a grand job in his recommendations for the reorganization of the executive branch of the Government. I believe that as the result of the program he has under way not only will there be a great increase in the efficiency of the executive branch of the Government but in due course of time the American people will reap the benefits of the savings in the cost of administration which will result from the leadership President Truman is exercising in this field.

I am sure, the task has not been easy for him. All Senators know the pressures to which they have been subjected and the objections and the exceptions from various groups, particularly in their home States they have been asked to support, when some particular part of one of the Hoover Commission reorganization recommendations steps on the toes of some particular interest in our States. If that be true of us, what do Senators think the President of the United States has been undergoing in regard to attempts to pressure him in respect to reorganization plans?

I hope I shall always be not only nonpartisan enough, but also fair enough, to give credit where credit is due. I think President Harry Truman is entitled to a very sincere expression of appreciation on the part of the American people for the courageous and forthright way in which he has taken hold of the task of making recommendations for the reorganization of the executive branch of the Government. The difference of opinion we had with him yesterday afternoon over plan No. 1 in no way, in my judgment, should be looked upon by him as any great discouragement in respect to the task which still lies ahead of him. If I know the caliber of his courage correctly, we will find in due course of time another proposal coming to us from the President of the United States in respect to the subject matter of Reorganization Plan No. 1, and it will be in the form of a plan which will so closely follow the major Hoover recommendations in this particular field that those of us who could not support the President yesterday will be able to support him in his next recommendation on this subject.

I turn now, Mr. President, to Reorganization Plan No. 2. I shall support it because I think it will carry out the basic principles of the recommendation of the Hoover Commission that the Bureau of Employment Security be transferred from the Federal Security Agency to the Department of Labor. I am convinced that such a transfer is in the interest of good government organization and efficiency. I do not know whether it will

achieve dollar economies; but increased efficiency that would give us more service for every dollar spent is in itself an economy.

This plan came to the Congress with every presumption in its favor. It was recommended by President Truman, a Democrat, and by former President Hoover, a Republican. It was recommended unanimously by the bipartisan Hoover Commission. The heads of the agencies affected have testified in favor of the plan. It was, therefore, with great surprise that I found the Committee on Expenditures in the Executive Departments recommending that the Senate not favor the plan. Because of my great esteem for the members of the committee and because I know they gave long and thorough consideration to the subject, I have reviewed the committee's report with as great care as I am capable of reviewing anything.

I am unable to concur in the distinguished chairman's conclusion that this plan diverges from the recommendations of the Hoover Commission. As I read it, the plan implements exactly the recommendations made by that Commission.

The committee report states that the Hoover Commission recommended merging the functions of the Veterans' Employment Service with the Employment Service of the Bureau of Employment Security but did not recommend the abolition of the Veterans' Placement Service Board. The Hoover Commission found that the Veterans' Placement Board is an "anomalous administrative arrangement" and stated that "the need for its correction is evident." Report on the Department of Labor, page 16. The recommendation for merger of the Veterans' Employment Service with the Employment Service followed this statement. It would appear, therefore, that the abolition of the Veterans' Placement Service Board is fully consistent with the Hoover Commission recommendation.

It should also be noted that representatives of both the American Legion and the Veterans of Foreign Wars testified in favor of the plan.

I wish to say, Mr. President, that during the Eightieth Congress I had the privilege of serving as chairman of the Subcommittee on Veterans' Affairs of the Senate Committee on Labor and Public Welfare. That service gave me an opportunity to make many very careful and intensive studies into questions affecting the administration of veterans' affairs by the executive branch of the Government. It also gave me many opportunities to listen to the testimony and study the recommendations of the representatives of the American Legion and of the Veterans of Foreign Wars, and of the other veterans' organizations. On the basis of that experience, when the representatives of the American Legion, the representatives of the Veterans of Foreign Wars, and the representatives of other veterans' organizations tell the Senate that plan No. 2 has their approval, I say their recommendations are deserving of very careful consideration and are entitled to great weight on the part of the Senate of the United States.

I say that because the representatives of those veterans' organizations are thinking in terms not only of the best interests of the veteran, but in the best interests of the administration of the Government. I have heard them say time and time again, both in public discussions before my subcommittee and in private conversations with me, that they are well aware of the fact that it is the veteran, after all, who is going to have to pay a large share of the cost of operating the Government through the taxes of the years to come. When these veterans' organizations come forward with a recommendation in support of plan No. 2, Mr. President, I know that they have in mind their best interest in efficient and economical operation of the Government. Therefore any argument in the course of the debate to the effect that the veterans' interests are not adequately protected under plan No. 2 I think falls to the ground on the basis of the recommendations of the representatives of the American Legion and the Veterans of Foreign Wars who are on record in favor of the plan.

The abolition of the Veterans' Service Placement Board is therefore satisfactory to the major veterans' organizations, as well as to the Government agencies involved.

The report characterizes as "divergence from recommendations of the Hoover Commission" the provision concerning the Federal Advisory Council, incorporated in Reorganization Plan No. 2. It notes that the Commission made no recommendation with respect to that Council.

In my opinion, the provision of the plan respecting the Council is one of our best assurances that the Department of Labor will operate the Bureau of Employment Security fairly and effectively. The Federal Advisory Council is composed of outstanding citizens representing the public, employers, labor, and veterans.

I think that the very creation of this Council under the plan effectively meets the argument of the distinguished Senator from Arkansas [Mr. McCLELLAN] in regard to alleged fears of the Department of Labor on the part of employers. In my judgment the Council will function as a watchdog, so to speak, as a forum to provide a check upon a factual basis of any employer fears which may develop in the future. But I hasten to add that I think the argument about the employers' fears is itself a fear argument, and not entitled to any substantial weight in this debate, in the absence of proof of any basis or justification for the fears. There is none, Mr. President.

We cannot get very far in the reorganization of the executive branch of the Government in the interest of efficiency and economy if every time some group expresses a fear that it may not receive impartial treatment under a reorganization plan, such expression is to be used as a basis for voting against the reorganization plan. As a lawyer, I must ask for evidence. There is no evidence in support of this fear on the part of employers.

One could make the point that this argument of the employers itself mani-

fest a prejudice against labor; but I think that would be an equally unsound argument. We must look at this plan from the standpoint of whether or not the mechanics of it give us reasonable assurance of efficient administration.

The Federal Advisory Council which the Senate committee itself seems to think constitutes a divergence from the Hoover Commission report is in my opinion one of the guaranties of impartial, fair, and efficient administration of the plan. So I urge Members of the Senate not to give any weight to the argument which some speakers have made in this debate, that we should not vote for this plan because certain employers have expressed fears about it.

In respect to another phase of the Hoover recommendation for reorganization affecting the Army engineers, I am hearing, by way of some pretty hot pressures from my State, the argument that, of course, we must do nothing that would in any way encroach upon the jurisdiction of the Army engineers, because of the fear that it might have some detrimental effect upon Government projects being built in the Pacific Northwest by Government engineers. I have said to the people of my State, and I repeat this afternoon, that no such argument, based upon fear or upon plain selfishness, will cause the junior Senator from Oregon to divert one bit from his determination to support the Hoover Commission reorganization plan in respect to the Army engineers. I take this opportunity to tell the people of my State that I have made a thorough study of the Hoover Commission recommendations insofar as they affect the Army engineers, and I am satisfied that there is no basis for the fears expressed to me by the various groups, which apparently have undertaken a crusade to see to it that the Army engineers are in no way affected by any reorganization plan approved by the Senate.

Incidentally, I think the time has come when the Army engineers should be brought under a reorganization plan, in the interest of the efficient operation of the planning and construction of the great Government projects needed in the Pacific Northwest. They are not sacrosanct, and should not be so treated by the Senate. Nor should they be defended on the basis of any such insupportable fear arguments as are being sent to me by certain groups in my State, urging me to oppose any recommendation of the Hoover Commission which affects the Army engineers.

As I have said from the platforms of Oregon, I say from this platform today, that I shall support the Hoover Commission recommendations in respect to the Army Engineers. I intend to continue to support the Hoover Commission recommendations in respect to other reorganization plans, in the absence of any clear evidence that such recommendations would result in damage to the efficient and economical operation of our Government. When I am convinced that a Hoover recommendation is not a good one I shall vote against it but the presumption is in favor of the Hoover reports as far as I am concerned.

So in respect to the question of the Federal Advisory Council, the fact that it is to be composed of outstanding citizens representing the public, employers, labor, and veterans commends that phase of the plan to me; and in my judgment is an adequate answer to the committee's argument that the creation of the council itself constitutes a divergence from the Hoover Commission recommendations. There is nothing in the Hoover Commission recommendations which would support the argument that the Commission would be opposed to any such council as the Federal Advisory Council.

Under the Wagner-Peyser Act the council has "the purpose of formulating policies and discussing problems relating to employment and insuring impartiality, neutrality, and freedom from political influence in the solution of such problems." By statute the council has "access to all files and records of the United States Employment Service." Under Reorganization Plan No. 2 this council would advise the Secretary of Labor with respect to the unemployment compensation activities of the Bureau of Employment Security as well as with respect to the Employment Service functions. Those who have expressed fear that the Department of Labor cannot operate the Bureau of Employment Security impartially and efficiently have in the Federal Advisory Council a check on the Bureau's operations and an insurance against bias or inefficiency. I assume that the committee has no objection to that provision of the plan which would permit the Federal Advisory Council to advise concerning all operations of the Bureau of Employment Security and to have access to the files and records of the Unemployment Compensation system as well as the Employment Service.

The report also noted as a "divergence from recommendations of the Hoover Commission" the fact that Reorganization Plan No. 2 does not include seven other recommendations of the Commission concerning the Department of Labor.

I fail to see how this is a divergence from the recommendations of the Commission. It is at best a failure to do the entire job at once. In that respect, I am satisfied by the explanation given to the House of Representatives on August 11, 1949, by the distinguished Representative from Ohio, the Honorable CLARENCE BROWN, who was a member of the Hoover Commission. He stated:

Mr. Hoover and I realized the President could not send in all of his reorganization plans at once. In fact, I believe this particular Reorganization Plan No. 2 is here rather as a side issue, as it were, and that it does not represent the President's complete reorganization plan for the Department of Labor. (CONGRESSIONAL RECORD, Aug. 11, 1949, p. 11527.)

The Hoover Commission brought in some 318 different recommendations and findings. Obviously they could not all be put into effect in a single plan or all at once. The Hoover Commission spent 2 years studying the subject of Government organization and bringing in these recommendations. We have

merely 60 days to consider them. Under the circumstances, I am not at all sorry to find the plans coming up in small groups; nor do I consider it a divergence from the Hoover Commission's recommendations to adopt its recommendations one at a time, rather than all at once.

In connection with the failure of plan No. 2 to effect all the recommendations of the Hoover Commission with respect to the Department of Labor, I cannot help wondering how many persons who raised this as an objection to the plan would want transferred to the Department of Labor all the agencies and functions which the Hoover Commission has recommended be transferred to it.

Mr. President, I am satisfied that Reorganization Plan No. 2 is fully consistent with the recommendation of the Hoover Commission and properly implements the Commission's recommendation.

Furthermore, there is no question that the functions of the Bureau of Employment Security are much closer to those of the Department of Labor than to those of the Federal Security Agency. This was clearly demonstrated by the Brookings Institution task force report and by the Report of the Hoover Commission.

The Hoover Commission, adopting the findings of the Brookings Institution—task force report on public welfare, appendix P, pages 440-442—concluded that:

Employment offices and unemployment compensation are more closely related to each other than to retirement or old-age assistance or educational programs. Both are Federal-State programs dealing with labor force conditions and labor-management relations. These programs have close operating relationships with other employment and labor functions in the Department of Labor—with the Bureau of Labor Statistics, Women's Bureau, the Bureau of Apprenticeship, Wage and Hour Division, the Bureau of Labor Standards, and the Bureau of Veterans' Reemployment Rights. Personnel for these functions all acquire the same basic training in labor and employee relations problems.

The States themselves either place employment security in an industrial commission or labor department, in a department with other labor functions, or organize them independently. In no State are they merged with health, education, or welfare. In addition, more and more States are rewarding employers with good "experience" ratings in providing stable employment. This type of activity ties in directly with the kind of research and planning performed by the State labor agencies and by the Department of Labor, particularly that of its Bureau of Labor Statistics. (Report on the Department of Labor, pp. 13-14.)

In view of the findings of the Brookings Institution task force, what is the opposition to this plan, Mr. President? The report states (Rept. No. 852, p. 7) that the opposition—

was concerned chiefly with widespread employer distrust of the ability of the Department of Labor to operate either the United States Employment Service or the Employment Compensation Service on an impartial public-service basis.

Although I am sure these fears are real and are expressed in good faith, I do not believe they are well-founded. I take

that position for reasons which I have already set forth in the course of my remarks. Against these fears can be balancing some quite convincing facts. The Secretary of Labor testified before the committee that—

During the 24 years when the Employment Service was in the Department of Labor employers did use it and on a constantly increasing scale. As a matter of fact, employers used the Employment Service more, as shown by job orders and placements in the official records of the Employment Service in the years 1945 to 1948 when the Employment Service was in the Department of Labor, than at any other peacetime year since the Wagner-Peyser Act was enacted in 1933.

No one was able to refute that statement.

In addition, Mr. Hoover testified before the committee on this subject. He stated:

I do not believe that an employer ought to have any less confidence in the objectivity of the Labor Department than the Federal Security Agency. If there is such criticism the employer ought to realize that these bureaus placed in the Labor Department will be under the more vivid searchlight of public opinion than in the Federal Security Agency, whose major purposes are not related to the subject.

My own view is that both sides would be better protected.

Mr. President, I agree with that appraisal of the situation by Mr. Hoover.

The report also notes (Rept. No. 852, p. 7) that witnesses alleged that transfer of the Bureau of Employment Security to the Labor Department would result in eventual abolition of the experience-rating system, under which employers may receive reduction in their unemployment compensation tax rates if they achieve consistent employment records. Against these allegations must be weighed certain facts. First, the experience-rating system was created by Federal and State statutes. Only the Congress and the States can change or abolish experience-rating systems. Second, under the Federal Unemployment Tax Act, the Administrator of the program is limited in the exercise of his judgment to approving State statutes pertaining to unemployment compensation, including experience-rating systems. He has quite narrow discretion, as the Secretary of Labor admitted. Third, the Secretary of Labor testified that he has an open mind on the question of experience rating, and does not know what he would recommend to the Congress if he were asked. But a recommendation to Congress and action by Congress would be required. That is the point I wish to drive home in regard to the matter of experience ratings.

Mr. IVES. Mr. President, will the Senator yield on this point?

Mr. MORSE. I should like to conclude my remarks, and then I shall yield. I wish to keep within the time allotted to me.

The Secretary of Labor told the committee that he would consider very carefully the advice of the Federal Advisory Council on this subject. No one denied the Secretary's statement that the Federal Security Agency, on the other hand, has advocated the abolition of the system. Those who wish to see the

experience rating system retained consequently have nothing to lose by the transfer of the Bureau of Employment Security to the Labor Department.

There were also allegations that the plan would not achieve economies but would increase costs. This was denied by the Federal officials affected and by the Director of the Bureau of the Budget who assured the committee that there would be no increase in costs for the same workload. I have no facts on which to base a contrary judgment. Nor do I have any reason to believe one is warranted. In fact, the Brookings Institution concluded that by reason of the transfer economies might be made with respect to employment statistics and employment outlook work—Task Force Report, Appendix P, pages 20, 413. Mr. Hoover, in testifying before the Senate Committee on Expenditures in the Executive Departments, said:

I have the faith that this Bureau placed in the Department of Labor and associated with men who are familiar with the problems of labor, will get more economical handling than it will be as a sort of an orphan in the Social Security, where there are other and much more dominant activities.

I think that was a very clear statement of the situation.

Mr. President, I have not been convinced by the arguments against Reorganization Plan No. 2. In my opinion there is no sound basis for rejecting a plan so clearly implementing a logical and well-considered recommendation of the Hoover Commission.

I have carefully considered the objections of those employers who have expressed fears respecting the proposed transfer of the Bureau of Employment Security to the Department of Labor. I honestly believe their fears are, and will be proved, unfounded. In this respect I do not stand alone. Mr. Truman, Mr. Hoover, the other distinguished members of the Hoover Commission, with the exception of the able Senator from Arkansas, and the great majority of the House of Representatives, including Members on both sides of the aisle, share this view. I feel sure it is also shared by the majority of the Senators. I shall expect the Department of Labor to justify the confidence we are reposing in it.

I am satisfied further there is no basis for the fear that the experience-rating system will be damaged by this transfer. In regard to this point, I think the Department of Labor again has the obligation of justifying the confidence we are reposing in it. I take it for granted the Secretary of Labor will read the arguments which have been made in the course of the debate in connection with the experience-rating issue, and I am satisfied that on the basis of the testimony and the attitude taken by the Secretary of Labor at the time he appeared before the committee we are justified in the confidence that he will not make any recommendations in regard to the experience rating with out full disclosure of the pros and cons. It will then be the obligation of the Congress to take such action in respect to experience ratings as it believes the record at that time justifies.

I now yield to the Senator from New York.

Mr. IVES. Mr. President, the Senator from New York would like to ask the able Senator from Oregon whether he does not realize that under the interpretation of the term "other factors," found in section 1602, subdivision (a) (1), of the Internal Revenue Code, the Administrator or the administering agency could almost wipe out—perhaps not completely—experience rating in any State of the Union?

Mr. MORSE. I have not studied that legal point in as much detail as I shall before rendering a judgment on that point of law. However, I am inclined to think that broad discretion does exist under the existing law.

Mr. IVES. That is exactly correct.

Mr. MORSE. And as the Senator from New York knows, the present Administrator has already expressed opposition to the experience rating.

Mr. IVES. The Senator from New York pointed that out in his remarks this morning. But the Senator from New York would like to ask the able Senator from Oregon whether he does not appreciate that that is the situation, under that particular section of the law?

Mr. MORSE. I do not deny that if some Administrator wanted to exercise such an arbitrary discretion, he might have authority to exercise it, but I am not positive on that point as a matter of law. But if some administrator did exercise such discretion as the Senator from New York fears, I think he would very quickly find himself up against a congressional check.

Mr. IVES. There would be no congressional check, unless we were successful in obtaining passage of a bill.

Mr. MORSE. I do not think there is any question about our proceeding to take action if he exercised such arbitrary discretion.

Mr. IVES. The question might remain as to the determination of the Congress in that instance. I think the Senator himself will readily recognize that those matters are very controversial. We know the condition we are in at the present time, for instance, with respect to our calendar. A tremendous amount of damage might easily be done before any action at all could be taken by the Congress.

Mr. MORSE. I do not see that the argument advanced by the Senator from New York is an argument against plan No. 2. His suggestion has to do with a power that he alleges presently exists in the hands of the present Administrator, and which he fears the Administrator might exercise at some time. The Senator from New York ought to introduce a bill checking that discretion but not oppose Reorganization Plan No. 2.

Mr. IVES. Mr. President, the Senator from New York would like to point out that the present Administrator, though he has the authority, has not exercised it. But that does not mean that some Administrator in some other agency of the Government might not desire to do so, and might not dare to do so.

Mr. MORSE. O. that the present Administrator might not do it.

Mr. IVES. That is absolutely correct. There can be no argument about it. The fact still remains that, rightly or wrongly, a large portion of the small-business men of the country—I am not talking about the big fellows; I am talking about the little fellows—are definitely worried because they do not know what the attitude of the Department of Labor may be regarding the matter. They feel reasonably certain as to what may happen, so far as the present agency, the Federal Security Agency, is concerned. Perhaps their idea is not justified in either instance, but that is the way they feel.

Mr. MORSE. I have the greatest respect for the opinion of the Senator from New York on all issues, including this one. I completely disagree with him that the argument he has advanced is a good argument for voting against Reorganization Plan No. 2. It is a good argument in favor of the introduction by the Senator from New York of a bill which would meet the problem which concerns him so much. But I respectfully say that he should not oppose Reorganization Plan No. 2, because he fears that, at some time in the future, somebody might do something he wishes the law would make it impossible for him to do.

Mr. IVES. Mr. President, the Senator from New York would like to point out—and this is where the Senator from Oregon does not understand the attitude of the Senator from New York—that the Senator from New York does not have this fear. But the Senator from New York recognizes that the fear does exist, and it should be taken into consideration in this instance.

Mr. MORSE. No; I understand the Senator's argument. I simply do not think it is applicable to Reorganization Plan No. 2. It is applicable to the need for passing a bill which would prevent the accomplishment of the thing feared, which the Senator has pointed out to the Senate.

Mr. IVES. What would prevent the administering agency from withholding administrative funds? That is where he would exercise it.

Mr. MORSE. I understand the Senator's argument. I do not think it is a very good one in opposition to Reorganization Plan No. 2. We have plenty of checks on the use of funds by the Administrator and if he followed the course last suggested by the Senator from New York, I am sure our Appropriations Committee would take the matter up with the Administrator when he next came before the committee for a new appropriation.

TEMPORARY APPROPRIATIONS FOR THE FISCAL YEAR 1950

Mr. McKELLAR. Mr. President, will the Senator from Oregon yield to me for a moment?

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. HUMPHREY. Mr. President, in order to clarify the situation, I believe

the distinguished leader of the opposition to the plan is willing to yield a few minutes to an advocate of it.

Mr. McCLELLAN. Mr. President, if the able Senator from Oregon wishes more time, I am glad to yield time to him.

Mr. MORSE. Then I yield to the Senator from Tennessee.

Mr. McKELLAR. Mr. President, from the Committee on Appropriations, I report favorably, without amendment, House Joint Resolution 339, which has been passed by the House, making temporary appropriations for the fiscal year 1950. The joint resolution would permit the payment of Government employees until September 15. I ask unanimous consent for the immediate consideration of the joint resolution.

The PRESIDING OFFICER. The joint resolution will be read by title, for the information of the Senate.

The CHIEF CLERK. A joint resolution (H. J. Res. 339) amending an act making temporary appropriations for the fiscal year 1950, as amended, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to a third reading, read the third time, and passed.

Mr. McKELLAR. Mr. President, I thank the Senator from Oregon and the Senator from Arkansas very much indeed.

REORGANIZATION PLAN NO. 2, 1949— TRANSFERRING THE BUREAU OF EMPLOYMENT SECURITY

The Senate resumed the consideration of the resolution (S. Res. 151) disapproving Reorganization Plan No. 2, of 1949.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. STENNIS in the chair). As the Chair understands, the Senator from Arkansas has further time at his disposal.

Mr. McCLELLAN. I do not care to take any further time.

The PRESIDING OFFICER. The absence of a quorum is suggested. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Anderson	Graham	Lucas
Baldwin	Green	McCarran
Bricker	Gurney	McCarthy
Bridges	Hayden	McClellan
Byrd	Hendrickson	McFarland
Cain	Hickenlooper	McKellar
Capehart	Hill	McMahon
Chapman	Hoey	Magnuson
Chavez	Holland	Malone
Connally	Humphrey	Martin
Cordon	Hunt	Maybank
Donnell	Ives	Miller
Douglas	Jenner	Millikin
Downey	Johnson, Colo.	Morse
Dulles	Johnson, Tex.	Mundt
Eastland	Johnston, S. C.	Murray
Ecton	Kefauver	Myers
Ellender	Kerr	Neely
Ferguson	Kilgore	O'Connor
Flanders	Knowland	O'Mahoney
Frear	Langer	Robertson
Fulbright	Lodge	Russell
George	Long	Saltonstall
Gillette		Schoeppel

Smith, Maine	Thomas, Okla.	Wherry
Smith, N. J.	Thomas, Utah	Wiley
Sparkman	Thye	Williams
Stennis	Tydings	Withers
Taft	Vandenberg	Young
Taylor	Watkins	

The PRESIDING OFFICER. A quorum is present.

The hour of 5 o'clock having arrived, the Senate will proceed to vote on Senate Resolution 151. The question is on agreeing to the resolution, which reads:

Resolved, That the Senate does not favor the Reorganization Plan No. 2 transmitted to Congress by the President on June 20, 1949.

Mr. HUMPHREY. Mr. President, is it not a fact that a vote "nay" on the resolution is in substance a vote in support of Reorganization Plan No. 2?

The PRESIDING OFFICER. The Senator is correct. The question is on agreeing to the resolution.

Mr. WHERRY. I ask for the yeas and nays.

The yeas and nays were ordered, and the roll was called.

Mr. MYERS. I announce that the Senator from Florida [Mr. PEPPER], who is absent by leave of the Senate on public business, is paired on this vote with the Senator from Kansas [Mr. REED]. If present and voting, the Senator from Florida would vote "nay" and the Senator from Kansas would vote "yea."

I announce further that, if present and voting, the Senator from Rhode Island [Mr. McGRATH], who is absent on public business, would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], who is absent by leave of the Senate, is paired with the Senator from Nebraska [Mr. BUTLER], who is absent by leave of the Senate. If present and voting, the Senator from Vermont would vote "nay" and the Senator from Nebraska would vote "yea."

The Senator from Maine [Mr. BREWSTER] is necessarily absent. The Senator from New Hampshire [Mr. TOBEY] is absent because of illness.

The Senator from Kansas [Mr. REED], who is absent by leave of the Senate, is paired with the Senator from Florida [Mr. PEPPER]. If present and voting, the Senator from Kansas would vote "yea" and the Senator from Florida would vote "nay."

The result was—yeas 32, nays 57, as follows:

YEAS—32		
Bricker	George	Millikin
Bridges	Gurney	Mundt
Byrd	Hendrickson	Robertson
Cain	Hickenlooper	Saltonstall
Capehart	Hoey	Schoeppel
Cordon	Ives	Stennis
Donnell	Jenner	Taft
Dulles	Kerr	Vandenberg
Eastland	McCarthy	Wherry
Ecton	McClellan	Wiley
Fulbright	Martin	

NAYS—57		
Anderson	Ferguson	Holland
Baldwin	Flanders	Humphrey
Chapman	Frear	Hunt
Chavez	Gillette	Johnson, Colo.
Connally	Graham	Johnson, Tex.
Douglas	Green	Johnston, S. C.
Downey	Hayden	Kefauver
Ellender	Hill	Kerr

Kilgore	Malone	Smith, N. J.
Knowland	Maybank	Sparkman
Langer	Miller	Taylor
Lodge	Morse	Thomas, Okla.
Long	Murray	Thomas, Utah
Lucas	Myers	Thye
McCarran	Neely	Tydings
McFarland	O'Connor	Watkins
McKellar	O'Mahoney	Williams
McMahon	Russell	Withers
Magnuson	Smith, Maine	Young

NOT VOTING—7

Aiken	McGrath	Tobey
Brewster	Pepper	
Butler	Reed	

The PRESIDING OFFICER. On this question the yeas are 32, the nays are 57, and the resolution is not agreed to, not having received the affirmative vote of a majority of the authorized membership of the Senate.

REORGANIZATION PLAN NO. 7, 1949

The PRESIDING OFFICER. Under the order entered into on yesterday, the Chair lays before the Senate, Senate Resolution 155 disapproving Reorganization Plan No. 7 of 1949.

The Senate proceeded to consider the resolution (S. Res. 155) disapproving Reorganization Plan No. 7 of 1949, which is as follows:

Whereas Reorganization Plan No. 7 of 1949, transmitted to Congress on June 20, 1949, provided for the transfer of the Public Roads Administration to the Department of Commerce; and

Whereas there was subsequently enacted the Federal Property and Administrative Services Act of 1949 (Public Law 152), approved June 30, 1949, which abolished the Federal Works Agency and transferred all of its functions to the Administrator of General Services, and which changed the name of the Public Roads Administration to the Bureau of Public Roads and transferred all of its functions to the Administrator of General Services; and

Whereas Reorganization Plan No. 7 thus purports to affect agencies which do not in fact exist; and

Whereas section 9 (a) (1) of the Reorganization Act of 1949 (Public Law 109) provides, in substance, that any statute enacted in respect of any agency or function affected by a reorganization plan, before the effective date of such reorganization, shall have the same effect as if such reorganization had not been made; and

Whereas all doubt should be removed as to whether the above-cited statute has made such reorganization plan ineffective: Now, therefore, be it

Resolved, That the Senate does not favor the Reorganization Plan No. 7 transmitted to Congress by the President on June 20, 1949.

Mr. WHERRY. Mr. President, it is my understanding that under the unanimous-consent agreement previously entered into, Senate Resolution 155 is now being considered by the Senate. Will the Chair please make a statement respecting the division of time?

The PRESIDING OFFICER. Under the order previously entered into debate is limited to 1 hour. The time is controlled by the Senator from Arizona [Mr. HAYDEN], for the proponents of the resolution, and by the Senator from Arkansas [Mr. McCLELLAN] for the opponents. Under the law the time is equally divided. It is now 12 minutes after 5 o'clock, so debate will continue until 12 minutes after 6.

Mr. HAYDEN. Mr. President, I submitted Senate Resolution 155 because I became firmly convinced that an act of Congress has superseded the reorganization plan, and that if the reorganization plan is not rejected there will be very grave confusion as to the state of the law.

I should like first to discuss the facts. The Congressional Directory shows that each of 27 Members of the Senate has served as governor of his State. I am sure all of them will confirm a statement of facts which I shall now make.

First, that the State highway department is an important, if not the most important public-works agency in any State.

Second, that the 27 Senators are all intimately acquainted with the fact of the close relationship between the Bureau of Public Roads and the State highway departments. That Bureau supervises all the Federal-aid projects in each State. That is to say, if a State submits a Federal-aid project, it must be approved by the Bureau of Public Roads before the work can begin, and then, in order for the State to obtain its share of Federal aid, the Bureau of Public Roads must again approve the construction of the project according to the plans.

Many of the former governors know of their own knowledge that in their States the Bureau of Public Roads actually constructs roads within national parks and in the national forests. They understand, therefore, that it is in truth and in fact a construction agency.

What happened with respect to the particular problem we have before us is this: The Commission on Organization of the Executive Branch of the Government appointed two task forces, one on transportation and one on public works. The task force on transportation recommended a Department of Transportation in the following language:

A Department of Transportation should be established to consolidate Government expenditure, programing, and operating functions into a single executive agency.

Then it recommended that the Office of Highway Transportation be created. This Office should carry out the Federal aid highway program, all Federal highway promotional activities, safety activities involving interstate motor carriers, and the maintenance of a motor vehicle inventory and war requirement estimates.

It further recommended:

(a) Federal aid activities would be transferred from the Public Roads Administration, Federal Works Agency.

The other task force, headed by Robert Moses, of New York, a very eminent engineer, recommended that a Department of Public Works be created, and that the Bureau of Public Roads be transferred to that Department.

The Commission in its report on reorganization of the Department of Commerce, rejected the recommendations of both the above task forces as to the establishment of either a Department of Transportation or a Department of Pub-

lic Works, and instead made the following recommendation as to the Public Roads Administration:

The Public Roads Administration should be transferred from the Federal Works Agency to the Department.

The report in which the foregoing recommendation is made does not contain any specific data in support of the recommendation. I am convinced that it is based upon the fundamental fallacy that the Bureau of Public Roads is a transportation agency rather than a construction agency.

One does not have to look in the dictionary to know that "transportation" means the movement of things from one place to another. They can move by air, they can move by water, they can move over the land. If it were water transportation, a barge carrying goods could be engaged in transportation. If it were desired to regulate the river so that the barge could navigate it during all seasons of the year, the Corps of Engineers could build a great dam at the headwaters and conserve the floods so as to equate the flow or confine it to its banks by levees. But that would be construction. It would not be transportation.

The same is true of the Bureau of Public Roads. It provides a surface over which transportation may be carried, but does not engage in transportation itself. It is an engineering organization which determines what kind of road should be had, where the road should be located, the degree of curvature, the kind of surface, and many kindred questions. That is construction. In my judgment Mr. Moses and his task force were correct in assigning that work to a proposed works agency.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. CORDON. Can the Senator conceive of any activity which is delegated by law to the Department of Commerce, or which is engaged in by the Department of Commerce by virtue of any power delegated to it, which in any wise is so connected with, associated with, or has any relation to the Bureau of Public Roads as to permit of any integration, combination, or cooperation which would make for economy or efficiency in connection with the sort of transfer proposed in this plan?

Mr. HAYDEN. I cannot conceive of any such arrangement having that effect. Furthermore, the message transmitting this plan frankly confesses that it will not result in economy, which is one of the great objectives of the Hoover Commission.

Having this doubt, I asked the Legislative Reference Service of the Senate to look into the law on this question. I have great confidence in that Service. What stuck me more than anything else was Mr. Boots' comment on section 9 of the Reorganization Act. Section 9 (a) (1) of the Reorganization Act of 1949 reads as follows:

(1) Any statute enacted, and any regulation or other action made, prescribed, issued, granted, or performed in respect of or by any

agency or function affected by a reorganization under the provisions of this act, before the effective date of such reorganization, shall, except to the extent rescinded, modified, superseded, or made inapplicable by or under authority of law or by the abolition of a function, have the same effect as if such reorganization had not been made; but where any such statute, regulation, or other action has vested the functions in the agency from which it is removed under the plan, such function shall, insofar as it is to be exercised after the plan becomes effective, be considered as vested in the agency under which the function is placed by the plan.

Mr. Boots' comment is as follows:

While this provision is hedged about by a great deal of verbiage it would appear that it was designed to anticipate the case where, following the submission of a reorganization plan, Congress acted with respect to the agency or function affected in a manner inconsistent with the plan, and to make certain that in that situation the statute would have the same effect as if the reorganization had not been made.

What actually happened was that at the time this reorganization plan was submitted the House of Representatives had passed a bill creating the Federal Property and Administration Services, abolished the Public Works Administration, transferred the Public Roads Administration to the new agency created by law, and changed its name to the Bureau of Public Roads. That is the situation with which we are faced today.

I have very carefully read an opinion by Mr. Peyton Ford, Acting Attorney General, which was printed in the CONGRESSIONAL RECORD of yesterday, and I should like to submit some comments to the 65 lawyers in the Senate, who should be able to pass upon this question.

I have read the opinion of the Acting Attorney General with respect to the validity and effectiveness of Reorganization Plan No. 7 of 1949. It has not changed my opinion that this plan will not take effect upon the expiration of 60 days following its submission.

The Acting Attorney General lays great stress on the references in the President's message to the then pending Federal Property and Administrative Services Act of 1949 and particularly the President's reasons for including in section 4 of the plan the statement that the provisions of this reorganization plan shall become effective notwithstanding the status of the Public Roads Administration within the Federal Works Agency or within any other agency immediately prior to the effective date of this reorganization plan.

Leaving out of consideration the question as to whether Presidential messages make the law, and particularly whether messages transmitting reorganization plans are—as stated by the Acting Attorney General—an integral part of the plan, it would seem that the argument of the Acting Attorney General serves to emphasize the strength of the opposing argument which he is attempting to meet. That is, with the President's plan before it, and in the same document the President's message—although I would not regard it as an integral part thereof—the Congress saw fit to transfer the Public Roads Admin-

istration to an agency wholly different from the agency to which it is transferred under the plan. Every Senator knows that it is an elemental rule of statutory construction that where there is a conflict between two acts of Congress the most recently enacted statute takes precedence. It is so elemental that one Congress cannot bind another Congress that it hardly seems worth mentioning. How, then, can anyone argue that a reorganization plan and its accompanying message transmitted by the President to the Congress can take precedence over a subsequently enacted act of Congress, approved by the President, which is totally inconsistent with such plan?

That is exactly what happened here. The plan was submitted on the 20th of June, and on the 30th of June the new law went into effect.

With reference to the suggestion that the plan seeks to transfer from the nonexistent agency, the Federal Works Agency, another nonexistent agency, the Public Roads Administration, the Acting Attorney General suggests that the Reorganization Act deals primarily with functions and only secondarily with the transfer or abolition of agencies, and then goes on to point out that what is contemplated by Reorganization Plan No. 7 is the transfer of certain functions which at all times have remained in existence. I hesitate to say that the Reorganization Act deals only secondarily with the transfer or abolition of agencies. But in any event the fact remains that the plan transmitted to the Congress is not the plan that would be in effect upon the expiration of 60 days if the argument of the Acting Attorney General is correct. A plan to transfer an agency from the Federal Works Agency to the Department of Commerce is not a plan to transfer that agency from the General Services Agency to the Department of Commerce, any general statement in the plan to the contrary notwithstanding. Congress is entitled to 60 days' consideration of any plan transmitted to it, and the same considerations that might move a Member of Congress to favor a plan to transfer the Public Roads Administration from the Federal Works Agency to the Department of Commerce might not be effective with respect to a transfer from the General Services Agency.

I should be interested to know what the conclusion of the Acting Attorney General would be if instead of transferring the Public Roads Administration to the General Services Agency, the statute, Public Law 152, had split the Public Roads Administration and transferred part of it to the General Services Agency, part of it to the Department of the Interior, and part of it to the Department of Commerce. Could it be contended that the general statement in section 4 of the reorganization plan would have the effect of gathering up these component parts of the Public Roads Administration and bringing them together in the Department of Commerce when Congress had clearly indicated that it wanted only one segment of the agency in that department?

The Acting Attorney General refers to the suggestion that section 9 (a) (1) of the Reorganization Act of 1949 prevents the taking effect of Reorganization Plan No. 7 as based on an obvious misconstruction of that section. He points out that section 9 (a) (1) is clearly intended as a saving provision, designed to keep substantive authority and functions alive despite the fact that the power to exercise is transferred by the reorganization plan. Of course, there is no doubt that that was one purpose, perhaps the principal one, of section 9 (a) (1). But stripped of inapplicable language, the provision states unqualifiedly that any statute enacted in respect of any agency or function affected by a reorganization under the provisions of this act, before the effective date of such reorganization, shall have the same effect as if such reorganization had not been made.

In this connection the Acting Attorney General also refers to the so-called Taft amendment—section 5 (e) of the 1945 Reorganization Act—which reads as follows:

(e) If, since January 1, 1945, Congress has by law established the status of any agency in relation to other agencies or transferred any function to any agency, no reorganization plan shall provide for, and no reorganization under this act shall have the effect of, changing the status of such agency in relation to other agencies or of abolishing any such transferred function or providing for its exercise by or under the supervision of any other agency.

He states that this section in the 1945 act clearly restricts the power of the President to submit a plan which would have the effect of undoing recent congressional action and points out that no such provision is contained in the Reorganization Act of 1949. Of course, a reading of section 5 (e) indicates that it has much broader application than the Acting Attorney General intimates. The 1945 act was approved December 20, 1945; and thus section 5 (e) would prevent the President from changing the status of any agency if since January 1, 1945, Congress had established the status of that agency with relation to other agencies or transferred any function to any agency. Moreover, this section was inserted on the floor of the Senate, and I do not recall that the question as to whether it might cover a part of the field encompassed in section 9 (a) (1) of the 1949 act was analyzed or even debated. The 1945 act contained a similar provision.

The opinion under consideration also suggests that to reach a result adverse to the effectiveness of Reorganization Plan No. 7 would require a conclusion that the action of Congress in passing the Federal Property Act of 1949, in effect repealed the authority given to the President under the Reorganization Act, and suggests that implied repeals are not favored. However, on the other side of the picture, to reach a contrary conclusion would mean that the Congress had done a vain thing when it passed the Federal Property and Administrative Services Act. I do not believe that any such action should be attributed to the Congress in the absence of specific evidence to the contrary.

Finally the opinion suggests that there can be no question that the President the day after signing the Federal Property Act could have submitted a reorganization plan undoing the transfers effected by that act and the Congress would then have had 60 days within which to consider whether or not to disapprove such a proposal. It would seem that if the President wished to effect this transfer that is just the action that he should have taken.

Since I have argued that plan No. 7 would not take effect even though the Senate or the House fail to pass a resolution of disapproval prior to the expiration of the 60-day period after transmittal of such plan, Senators might logically ask me why I propose a resolution of disapproval. My answer to any such query is that I recognize that a forceful legal argument may be made on both sides of the question.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. LODGE. If this whole order is surplus and excess verbiage, why would it not be simpler to have the President withdraw it?

Mr. HAYDEN. It being a proposal recommended by the Hoover Commission, I think the President hesitated to withdraw it once it had been submitted to Congress. He would much prefer to have Congress determine what it will do with it.

That situation is exactly the same, as the Senator very well knows, as the situation with respect to the reorganization plan sent to Congress in connection with the Military Establishment. However, in that act provision was made that the act should take effect, and not the plan submitted. But that language was not in this statute, which leaves the confusion which I have been discussing.

While I personally feel that in view of the passage of the Federal Property and Administrative Services Act of 1949 subsequent to the time plan No. 7 was transmitted to Congress, the plan cannot take effect, I accord to the opinion of the Acting Attorney General the respect to which it is entitled; and I firmly believe that the only way we can clarify the situation at this late date is for the Senate to adopt this resolution of disapproval. If we do not disapprove the resolution and the administration attempts to make the plan effective by transferring the Bureau of Public Roads to the Department of Commerce, the Government will have this situation confronting them in the next 2 or 3 weeks.

In connection with the acquisition through condemnation proceedings for rights-of-way for Federal highways, the Secretary of Commerce will attempt to make the basic discretionary finding which is a statutory prerequisite to the institution of the condemnation proceedings.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. WHERRY. Did I correctly understand the Senator from Arizona to say that the Acting Attorney General was

recommending that Congress disapprove the reorganization plan?

Mr. HAYDEN. No; I said the Acting Attorney General was recommending that Congress do not disapprove it.

Mr. WHERRY. Then how does the Senator from Arizona harmonize his position with the opinion of the acting attorney general?

Mr. HAYDEN. I do not. I disagree with the Attorney General.

Mr. WHERRY. The Senator from Arizona disagrees with the Attorney General?

Mr. HAYDEN. I do.

I am pointing out the situation we shall be in if nothing is done. As I just said, in connection with the acquisition through condemnation proceedings for rights-of-way for Federal highways, the Secretary of Commerce will attempt to make the basic discretionary finding which is a statutory prerequisite to the institution of the condemnation proceedings. If not in that case, then in the next this authority will be challenged by the private land owner whose property is to be taken under such condemnation proceedings. Whether the courts will feel bound by the action of the Senate in failing to disapprove such plan is problematical. If the courts feel, as I do, that the plan has no legal effect because of the passage of the Federal Property and Administrative Services Act of 1949, the condemnation proceeding will be dismissed, and a chaotic condition will be created which we have now in our power to prevent. Even if the lower courts were to hold that the plan is in effect, there will be inevitable appeals in higher courts until the question is finally decided by the Supreme Court after a long period of litigation.

Therefore, Mr. President, it seems to me that the wise thing to do is for the Senate to reject this plan. Then if thereafter the President wishes to submit a plan which is not complicated by the conflicting legislation which applies to this plan, the Senate can agree to it.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. CORDON. Historically, was not the whole highway policy, adopted many years ago, predicated primarily on the necessity for an interstate, interconnected highway system, valuable primarily for national defense?

Mr. HAYDEN. That is the reason which induced President Wilson to sign the original Federal Highway Act.

Mr. CORDON. As a matter of fact, if we were going to examine the history of the national highway policy, if we were going to consider the basis upon which the major arterial highways have been designated and connected and constructed, and if we were going to insist upon the transfer to some department of what is one of the outstandingly efficient service organizations in the United States Government, it should properly go to the Department of Defense, should it not?

Mr. HAYDEN. Or, conversely, if the reasoning, which I believe to be fallacious, upon which this plan is based

is correct, then the Corps of Engineers, since it has just as much to do with transportation as does the Public Roads Administration, should also be transferred to the Department of Commerce.

Mr. CORDON. Exactly. Would it not appear—as I think the Senator has suggested—that in the investigation made by the so-called Hoover Commission, inadequate consideration was given by the transportation section of that Commission to the basic authority and duties of the Public Roads Administration or, as it was formerly known, the Bureau of Public Roads, a construction agency, and in no sense a transportation agency?

Mr. HAYDEN. Yes.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. All time is to be divided between or allotted by the Senator from Arizona [Mr. HAYDEN] and the Senator from Arkansas [Mr. McCLELLAN].

Mr. LODGE. Mr. President, I should like to ask a question.

Mr. McCLELLAN. I yield 5 minutes of my time to the Senator from Massachusetts.

Mr. LODGE. I still do not understand why the President does not withdraw this order, if it is merely a lot of excess verbiage. If it is excess verbiage, it seems to me the simple thing for him to do is to withdraw the order, and not make Congress go through the procedure of voting on it.

Mr. HAYDEN. I understand that. But if the President did that, he would do two things which he does not want to do: First, such action would be construed as discrediting the Hoover Commission's recommendation.

Mr. LODGE. How could that be?

Mr. HAYDEN. That is to say, having issued an order prior to the enactment of this statute, if the President were to withdraw it now because the statute had been enacted in the meantime, that action could be construed as an abandonment of the project by the President.

The other reason is also obvious: The President does not like to disregard the advice of the Acting Attorney General; and the Acting Attorney General has—in a very strained way, I think—endorsed the proposal that the plan, not the law, be in effect.

Mr. LODGE. Mr. President, the Senator from Arizona is one of the ablest and most lucid Members of this body; but he has not been very lucid in his reply to my question, because I do not think it in any way discredits the Hoover Commission to say that some event which has occurred subsequent to the time when the Hoover Commission made its recommendation, makes its recommendation obsolete. There is nothing insulting or discrediting about that, and I cannot believe that the President has such a mistaken sense of loyalty toward his Attorney General, or Acting Attorney General, that he will fail to withdraw something that is obsolete and that is excess verbiage, and will require us to go through all this procedure and then to vote. I think there must be

something about this matter that does not meet the eye.

Mr. HAYDEN. I say that the only way to remove the inconsistency would be for the President to withdraw the plan. Some good lawyer told me that the President doubted that he had the power to withdraw the order.

Mr. LODGE. We find good lawyers on all sides of questions, of course.

Mr. MARTIN. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield 5 minutes of my time to the Senator from Pennsylvania, if he wishes to have it.

Mr. MARTIN. I simply wish to ask a question. Does the Public Roads Administration do any actual construction, except in public parks?

Mr. HAYDEN. Oh, yes; the Public Roads Administration has supervised the construction of the Inter-American Highway through Mexico to Panama. It is now doing work for the State Department in Turkey and Greece. It supervised the construction of the Alaskan Highway during the war.

As the Senator has mentioned, it does, every year, substantial construction in both the national forests and the national parks, and I believe it does some work on the Indian reservations.

Mr. MARTIN. Mr. President, will the Senator yield for a further question?

Mr. HAYDEN. I yield.

Mr. MARTIN. So far as the relationship with the States is concerned, the Public Roads Administration does not do any construction work; does it?

Mr. HAYDEN. No; the theory of the Federal Highway Act from the beginning has been that the Federal Government would not build any State roads, but it would aid the States. The original act provided that unless a State had a State highway department—and half of the States did not have such departments at that time—it could not get the benefit of Federal aid. The State lets the contract; it lets it in accordance with specifications approved in advance by the Public Roads Administration. Then if the State builds the road in accordance with those specifications, the Public Roads Administration authorizes the making of the Federal payment to the State in the amount due.

Mr. ELLENDER. Mr. President, will the Senator yield for a question?

Mr. HAYDEN. I yield.

Mr. ELLENDER. Assuming that this proposal were legal, does the Senator feel that the Public Roads Administration should be transferred to the Department of Commerce?

Mr. HAYDEN. I do not, because, as indicated by the Senator from Oregon, the purpose of the Department of Commerce is to improve commerce and transportation. The Department of Commerce has nothing to do with the construction of roads.

My contention is that this is a construction agency, not a transportation agency. Therefore it does not belong in the Department of Commerce.

Mr. ELLENDER. So the main objection the Senator has is to transferring the roads agency from where it is now to the Department of Commerce. Is that correct?

Mr. HAYDEN. Exactly so.

Mr. MYERS. Mr. President—

Mr. McCLELLAN. I yield to the Senator from Pennsylvania.

Mr. MYERS. Only in the last moment have we heard anything about the merits of the proposed transfer. There may be real, good, and substantial argument as to the merits of the proposed transfer of the Public Roads Administration to the Department of Commerce, under this reorganization plan. However, the Senator from Arizona has devoted practically all his time to a discussion of the legality of the proposed transfer.

I certainly believe his legal argument is unsound. I base that opinion in large part on the opinion of the Acting Attorney General, addressed to the President, which appears on page 11793 of the CONGRESSIONAL RECORD under date of Tuesday, August 16.

The plan was forwarded to Congress on June 20, as I recall. The act transferring the functions of the Federal Works Agency, including the Public Roads Administration, to the new agency was enacted into law on June 30, some 10 days or so after the plan was sent to us.

The Senator from Arizona bases his legal argument on two premises, and I think both of them are fully and completely unsound, according to the opinion of the Acting Attorney General.

The Senator from Arizona bases his argument on the assumption that by reason of the abolition of the Federal Works Agency, as is set forth in the opinion of the Acting Attorney General, nothing remains upon which the President can exercise his power of reorganization.

The Attorney General says:

This assumption is untenable. The Reorganization Act of 1949, as was the case with previous reorganization acts, deals primarily with functions and only secondarily with the transfer or abolition of agencies.

What is contemplated by Reorganization Plan No. 7 is the transfer of certain functions which at all times have remained in existence; functions which were not in their substance affected by the enactment of the Property Act of 1949. Plan No. 7 calls for the transfer of public-roads functions to the Department of Commerce. That is a result which can actually and legally be achieved despite the enactment of the Federal Property Act.

So says the acting Attorney General. He then goes on in his opinion to answer the second objection which has been raised to plan No. 7. He states:

A second objection to plan No. 7 which has been raised is based on an interpretation of the provisions of section 9 (a) (1) of the Reorganization Act of 1949 to the effect that that section was designed to anticipate the case where, following the submission of a reorganization plan, the Congress acted with respect to the agency or function affected in a manner inconsistent with the plan, and to make certain that in that situation the statute would have the same effect as if the reorganization had not been made.

Mr. President, where the Senator from Arizona goes far afield is, I think, that he forgets that in the original Reorganization Act of 1945 there was also another section, called section 5 (e). If that section were still in the law, the Sena-

tor's argument might then be a valid one, because section 5 (a) of the 1945 act provided:

If, since January 1, 1945, Congress has by law established the status of any agency in relation to other agencies or transferred any function—

As I say, Mr. President, that was done in the public law transferring the Public Roads Administration to the new agency.

If, since January 1, 1945, Congress has by law established the status of any agency in relation to other agencies or transferred any function to any agency, no reorganization plan shall provide for, and no reorganization under this act shall have the effect of, changing the status of such agency in relation to other agencies or of abolishing any such transferred function or providing for its exercise by or under the supervision of any other agency.

But, Mr. President, the Senator from Arizona neglected to advise the Senate that the provisions contained in section 5 (e) was omitted from the 1949 act. Had it been included, his argument might have been valid. Section 9 (a) (1), the remaining section, is clearly intended, as the acting Attorney General stated, as a saving provision designed to keep substantive authority and functions alive, despite the fact that the power to exercise such authority or functions is transferred by the reorganization plan. The acting Attorney General has given some examples.

So, Mr. President, there might be objection to the merits of the transfer, but unfortunately there has been no debate on the merits. The merits, I believe, might be argued. But on the legal question I believe every Senator and every lawyer could well argue that the President has a perfect right through the reorganization plan to transfer the Public Roads Administration to the Commerce Department, despite the fact that the Congress adopted and passed the Federal Property Act of 1949, some 10 days subsequent to the submission of plan No. 7.

I reiterate, we certainly should not reject this plan merely because of the tenuous legal argument advanced by counsel for the legislative committee. I think we should give more thoughtful concern to the opinion of the acting Attorney General. Senators may well differ on the merits of the transfer, I repeat, but it is my firm opinion that the President certainly has every right under the law to send to the Congress Reorganization Plan No. 7, and, within the law, can well transfer the Public Roads Administration to the Department of Commerce.

Mr. McCLELLAN. Mr. President, I yield 5 minutes to the Senator from New Mexico [Mr. CHAVEZ].

Mr. CHAVEZ. Mr. President, I dislike to disagree with the acting majority leader even on legal matters, but I recall, once upon a time, when I was going to law school, our professor said, "If you do not know the answer to a legal proposition, then decide for yourself what it should be." He said, "When you are asked, 'What is the law?' give an answer as to what it should be." In this instance, we have the trained legal mind of the acting majority leader against an ordinary Senator from Arizona.

Mr. MYERS. I thank the Senator.

Mr. WHERRY. Not too ordinary a Senator.

Mr. CHAVEZ. With all due respect to the legal training of my friend from Pennsylvania, I still think there is more good law in the argument of the Senator from Arizona than in the argument of the Senator from Pennsylvania. It is true the discussion has turned to legal matters. I believe the merits of the proposition should be discussed and understood. As I look around at Senators who are kind enough to be listening to the debate, I know they are all in favor of good roads. This is a matter of good roads, purely and simply. It is nothing that has anything to do with legal arguments, either pro or con.

If Senators want good roads to continue, if they want an agency which has made good in this country, if they want the only agency which has the respect of the entire American people, they should leave the Bureau of Public Roads where it is, and where it belongs, to do its work. The Bureau of Public Roads, under the administration of the present Commissioner, is known not only nationally but internationally. The Commissioner is respected not only in this country but abroad. If we go to any State in the Union, including Pennsylvania, we find the people are more interested in good roads than they are in any matter of legislation that may be presented to them. Good roads affect the farmer. They also affect the businessmen. They affect everyone in the entire country. The matter is simple. Has any Senator at any time heard the least suggestion that the Bureau of Public Roads as now constituted and directed has wasted a penny of the taxpayers' money? It is purely and simply a construction agency. It has nothing whatever to do with regulating commerce as between the State of Pennsylvania and the State of Ohio. It is interested in constructing good roads in Pennsylvania.

As stated by the Senator from Arizona, while it actually does not go on the ground, nevertheless it sees to it that the agency of the State of Pennsylvania carries out the provisions which Congress placed in the law. When decision is made as to a contribution by the Federal Government, it sees that the specifications are correct. It inspects the materials going into every foot of road.

Mr. President, I venture to say that there is not a Senator present who has as much respect for any other agency or department of the Federal Government as he has for the Bureau of Public Roads. So, why a change, as a matter of merit? Every department coming before the Committee on Appropriations has trouble. I have been a member of that committee for many years. The departments, including the Department of Commerce, have a difficult time selling their ideas. But there has never been one iota of doubt as to the honesty and sincerity of purpose or the honesty of administration of the Bureau of Public Roads.

If there is one Senator who has contributed greatly to the idea of public roads, it is the Senator from Arizona [Mr. HAYDEN]. If there is one Senator who

sticks to the administration it is the Senator from Arizona. I succeeded him on the committee of this body which has to do with public roads. I am happy and proud of the fact that this body has selected me as chairman of the Committee on Public Works, which has jurisdiction over public roads. That committee has no politics. It is composed of Democrats and Republicans, but they are interested in public roads, and its members attempt to carry out the basic idea of the Senator from Arizona. The Senator from Arizona is a reasonable, honest, administration man. He tells the Senate that this plan is wrong. He has no ulterior motive, no politics in regard to it, no idea of gaining a few votes somewhere. For 33 years he has led this body and the other body in matters concerning public roads, and he asks the Senate to understand and to realize that this plan is not sound.

I have no reason to know why the President did not withdraw the plan. As a matter of fact, I have no reason to know why he submitted it.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. MALONE. I should like to ask the distinguished Senator from New Mexico, this being a Federal highway department which we are asked to transfer to the Department of Commerce, whether the Department of Commerce, which has been a good department, has ever had anything to do with public roads?

Mr. CHAVEZ. It never has had. It controls and regulates transportation, for example, on the Chesapeake & Ohio Railway between here and Chicago, or any other transportation as such; but it never has had anything to do with the construction of a public highway. It is all new to that department.

Mr. MALONE. Mr. President, if the Senator will yield for one further question, has there ever been a breath of scandal or anything derogatory with regard to the Bureau of Public Roads?

Mr. CHAVEZ. It is one agency which stands high before the legislative body and before the American people. There are possibly 24 or more Senators in this body who have been Governors of their States. I asked them whether, while they were cooperating and receiving the benefits of the Federal Government in the construction of roads, they had ever had any difficulty with the Bureau of Public Roads, and the reply was that they had not.

Mr. MALONE. Mr. President, will the Senator yield further?

Mr. CHAVEZ. I yield.

Mr. MALONE. I should like to say to the Senator that at one time I was State engineer of Nevada, and I have just discussed with the head of that department this transfer. Of course they would conform, but they can hardly imagine—and nearly all of them are technical men—dealing with the Department of Commerce, where there is no comparable establishment at all. How would the Department of Commerce conform to this entirely new policy and this entirely new organization?

Mr. CHAVEZ. They will have to make the best of it. They are not in position to conform. They will do it, of course, if we put the responsibility upon them. But the question is, purely and simply, do we believe in good roads? Do we want to continue an honest administration of good roads? Do we want the States to have good roads? Do we want to get the farmer out of the mud? All right. Let us keep the situation as it is.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. LODGE. Does the Senator think the Hoover Commission is opposed to good roads?

Mr. CHAVEZ. The Hoover Commission, in its report, did not recommend that the Bureau of Public Roads should not be a construction agency. As outlined by the Senator from Arizona, the task force of the Hoover Commission, headed by Mr. Moses, recommended that it be kept the way it is at this time.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. MALONE. In view of the question asked by the Senator from Massachusetts, I should like to ask, inasmuch as it is with great reluctance that I vote against any of the reorganization plans, because in 1947, we initiated that kind of action and we are highly in favor of anything that will bring about greater efficiency and some economy, whether as a matter of fact, the Hoover Commission ever recommended such a thing.

Mr. CHAVEZ. Not that I understand. That is all I care to say.

The PRESIDING OFFICER. The Senator from Arkansas [Mr. McCLELLAN] is recognized.

Mr. McCLELLAN. Mr. President, if no other Senator wishes to speak on the resolution, I yield the time back to the Chair.

Mr. MYERS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Anderson	Hickenlooper	Millikin
Baldwin	Hill	Morse
Bricker	Holland	Mundt
Bridges	Humphrey	Murray
Byrd	Hunt	Myers
Cain	Ives	Neely
Capehart	Jenner	O'Connor
Chapman	Johnson, Colo.	O'Mahoney
Chavez	Johnson, Tex.	Robertson
Connally	Johnston, S. C.	Russell
Cordon	Kefauver	Saltonstall
Donnell	Kem	Schoeppel
Douglas	Kerr	Smith, Maine
Downey	Kilgore	Smith, N. J.
Dulles	Knowland	Sparkman
Eastland	Langer	Stennis
Eaton	Lodge	Taft
Ellender	Long	Taylor
Ferguson	McCarran	Thomas, Okla.
Flanders	McCarthy	Thomas, Utah
Frear	McClellan	Thye
Fulbright	McFarland	Tydings
George	McKellar	Vandenberg
Gillette	McMahon	Watkins
Graham	Magnuson	Wherry
Green	Malone	Wiley
Gurney	Martin	Williams
Hayden	Maybank	Withers
Hendrickson	Miller	Young

The PRESIDING OFFICER. A quorum is present. The question is on agreeing to Senate Resolution 155.

Mr. McCLELLAN. Is ask for the yeas and nays.

The yeas and nays were ordered.

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLELLAN. A vote in the affirmative for the resolution is a vote to reject Reorganization Plan No. 7, is it not?

The PRESIDING OFFICER. The Senator is correct. The question is on agreeing to Senate Resolution 155, which disapproves Reorganization Plan No. 7 of 1949. A Senator who does not favor the plan of reorganization will vote "yea." A Senator who favors the plan of reorganization will vote "nay."

The hour at the end of which the vote would have been taken will expire at 12 minutes past 6. Is there objection to proceeding to vote at this time, 4 minutes after 6 o'clock? The Chair hears no objection.

Mr. WHERRY. Mr. President, the acting majority leader is not on the floor at the moment, and I hope the Members of the Senate will remain after the vote, because a unanimous consent request will be presented relative to the debate on the nomination of Attorney General Clark, and with respect to the time at which the nomination will be voted on. I see the acting majority leader now in the Chamber, and I may state to him that the announcement was made yesterday by the majority leader that today there would be a recess from 6 until 7 o'clock for dinner, and that we would proceed with the consideration of the nomination after that time.

Mr. MYERS. I think all Senators are aware of the fact that after we conclude the voting on Reorganization Plan No. 7, it is the intention to call the Executive Calendar. There are on the Executive Calendar three treaties which I believe are noncontroversial. Then the noncontroversial nominations on the calendar will be called, and we will then proceed to the consideration of the nomination of Hon. Tom C. Clark to be Associate Justice of the Supreme Court of the United States. I understand that we will be able to secure a unanimous-consent agreement to recess after the nomination is made the pending business, to convene at 12 o'clock tomorrow and to vote on the nomination at 3:30 o'clock p. m. tomorrow. I shall present the unanimous-consent request after the vote on the reorganization plan.

The PRESIDING OFFICER. The yeas and nays have been ordered on Senate Resolution 155, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from North Carolina [Mr. HOEY], who is absent on public business, would vote "yea," if present.

The Senator from Illinois [Mr. LUCAS], who is absent on public business, would vote "nay," if present.

The Senator from Florida [Mr. PEPPER] is absent by leave of the Senate on public business.

I announce further that, if present and voting, the Senator from Rhode Island [Mr. McGRATH], who is absent on public business, would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], who is absent by leave of the Senate, has a general pair with the Senator from Nebraska [Mr. BUTLER], who is absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER] is necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness.

The Senator from Kansas [Mr. REED] is absent by leave of the Senate.

The result was—yeas 40, nays 47, as follows:

YEAS—40

Bricker	Holland	Morse
Cain	Hunt	Mundt
Chapman	Johnson, Colo.	Murray
Chavez	Johnson, Tex.	Robertson
Connally	Johnston, S. C.	Sparkman
Cordon	Kerr	Stennis
Donnell	McCarran	Thomas, Okla.
Ecton	McClellan	Thomas, Utah
Ellender	McFarland	Watkins
George	McKellar	Wherry
Gurney	Magnuson	Wiley
Hayden	Malone	Withers
Hickenlooper	Maybank	
Hill	Millikin	

NAYS—47

Anderson	Hendrickson	Neely
Baldwin	Humphrey	O'Connor
Bridges	Ives	O'Mahoney
Byrd	Jenner	Russell
Capehart	Kefauver	Saltonstall
Douglas	Kem	Schoeppel
Downey	Kilgore	Smith, Maine
Dulles	Knowland	Smith, N. J.
Eastland	Langer	Taft
Ferguson	Lodge	Taylor
Flanders	Long	Thye
Frear	McCarthy	Tydings
Fulbright	McMahon	Vandenberg
Gillette	Martin	Williams
Graham	Miller	Young
Green	Myers	

NOT VOTING—9

Aiken	Hoey	Pepper
Brewster	Lucas	Reed
Butler	McGrath	Tobery

The PRESIDING OFFICER. On this vote the yeas are 40, the nays are 47. The resolution is not agreed to, not having received the affirmative votes of a majority of the authorized membership of the Senate.

HOFFMAN'S WARNING TO THE 19 MARSHALL PLAN COUNTRIES

Mr. FULBRIGHT. Mr. President, I shall take but 1 minute of the Senate's time. I particularly want to commend Mr. Paul Hoffman for a statement which he made in Paris yesterday to the 19 Marshall plan countries. His statement was made at a meeting of the Organization for European Economic Cooperation in Paris. I desire read one sentence he is reported to have uttered to that conference. These are the words of Mr. Hoffman:

I want to say again and again and again to you that now is the time when there must be proof of accomplishment in the direction of genuine cooperation by the European nations to the end that this become as rapidly as possible a single market.

I think that shows that finally, after a year and a half, the ECA has come around to the view that there must be some coordination and unification economically of Europe.

The same article in the Washington Post quotes Mr. Andre Philipp, a French-

man, of Strasbourg, France, as saying that "discouragingly little progress" has been made under the Marshall plan and that Europe is more divided economically than ever before. But the statement of Mr. Hoffman at least shows that at long last the ECA has come around to the view which I have described, and I assume that our State Department has endorsed that policy.

INDEPENDENT OFFICES APPROPRIATIONS—MOTION TO RECONSIDER

Mr. DOUGLAS. Mr. President, I rise to enter a motion that the Senate reconsider the vote whereby this body agreed to the House amendment to Senate amendment numbered 46 to House bill 4177, the independent offices appropriation bill for 1950. I should like to have the privilege of making a brief statement to clarify the situation, if I may.

Mr. WHERRY. Mr. President, will the Senator yield so that I may ask the majority leader a question?

Mr. DOUGLAS. I yield.

Mr. WHERRY. Would it not be possible at this time to get a unanimous-consent agreement with respect to the nomination of Mr. Clark to be Associate Justice of the Supreme Court, and the nomination of the Senator from Rhode Island [Mr. McGRATH] to be Attorney General?

Mr. MYERS. I do not believe the Senator from Illinois will take very long. Other Senators have taken time.

Mr. DOUGLAS. Mr. President, I shall take not more than 10 minutes.

The parliamentary situation with respect to Senate amendment 46 to H. R. 4177, the independent offices' appropriation bill, seems to be as follows:

Senate amendment 46 would have appropriated \$21,667,000 to the Office of Housing Expediter for administrative expenses required to administer the Housing and Rent Act of 1947, as amended most recently by Congress in the Housing and Rent Act of 1949, approved March 30 of this year.

The 1949 act added to the administrative duties of the Office of Housing Expediter. It required him to designate an officer for each area rent office as a small landlord-tenant helper to assist them in obtaining the rights afforded them by the act. It increased the responsibilities of that office by extending the scope of its authority to initiate legal action against violators of the law, directly through action to recover damages for rent overcharges and indirectly by reporting to the Attorney General of the United States cases where there appeared to be grounds for seeking injunctions against violation of any part of the Rent Control Act. It also placed in the Office of Housing Expediter the entire duty of regulating evictions. Under the Housing and Rent Act of 1948, the Housing Expediter had no authority to regulate evictions.

In view of the need for carrying out these and other duties, the Bureau of the Budget approved an amount of \$26,750,000 for administrative expenses. The request for that amount was considered by the Senate Committee on Appropriations, which had before it for consideration H. R. 4177, the independent offices appropriation bill. This bill

had been reported from the House Committee on Appropriations on April 11, 1949, and passed by the House on April 12, too early for inclusion of a request for an appropriation for administrative expenses of the Office of Housing Expediter. The Office was in no position to request appropriations for the current fiscal year until passage of the Housing Act of 1949, which was not approved by both Houses until March 30, 1949.

After consideration, the Senate Committee reduced the recommended appropriation by 10 percent to \$24,075,000 and included it in H. R. 4177 as Senate amendment 46.

During the debate in the Senate on July 29, 1949, this amount was further reduced on the motion of the senior Senator from New Hampshire [Mr. BRIDGES] to \$21,667,000 by the extremely narrow margin of 3 votes, the count being 45 to 42. In other words, after an initial cut of 10 percent, the Senate made a further cut of about 10 percent.

In this form, amendment 46 went into conference and the conferees were unable to reach an agreement. It was reported in disagreement by the conferees in Conference Report No. 1262, dated August 12. In the statement of the managers on the part of the House, the managers stated that they would move to recede and concur in the Senate amendment with an amendment.

Such a motion was made by the gentleman from Texas [Mr. THOMAS] on August 15 and was agreed to without discussion or explanation. The effect of this amendment was to reduce the appropriation from \$21,667,500 to \$17,500,000, or a further reduction of approximately 20 percent from the preceding figure.

This action by the House was embodied in a message from the House, strangely dated August 14, announcing its action on six Senate amendments to H. R. 4177 on which the conferees were unable to reach agreement. This message was received in the Senate late in the day of August 15 and was acted upon immediately without explanation, although without objection. The distinguished senior Senator from Wyoming [Mr. O'MAHONEY] moved that the Senate concur in the House amendments to the six Senate amendments to H. R. 4177 covered by the message, with the exception of amendment 74 having to do with veterans' educational aids. That motion was agreed to. No discussion was had relative to amendment 46.

I have requested reconsideration of that action as it affects amendment 46 because I would feel remiss in my duties were I not to invite the attention of the Members of this distinguished body to the unfortunate results which would flow from slashing the appropriations for the Office of Housing Expediter to \$17,500,000.

For the last fiscal year, appropriations of \$22,222,200 were made to that office. Some of that amount was made in the form of deficiency appropriations. In view of the additional duties placed upon the Housing Expediter only a few months ago by this same Congress, I assume it was not the intention of the conferees or of this body that the Housing

Expediter engage in a wholesale dismissal of personnel. Since Congress must expect him to execute the duties vested in him, I would guess it was probably the thought of the conferees that he should continue to employ the personnel needed for that purpose until decreases in personnel are made possible by the tapering-off of the areas in which Federal rent controls are still effective. In view of the sizable reduction in appropriations below those approved by the Senate, I gather the conferees must have expected these decreases in over-all duties to occur rapidly as the present date for expiration of Federal rent controls, June 30, 1950, approaches. I assume, and would appreciate being corrected if this is not the case, that should this substantial tapering-off of duties of the Office of Housing Expediter not occur, the Senate committee would entertain a request for such deficiency appropriations as may be justified in the light of conditions as they exist when the current appropriation shall have been exhausted.

I personally feel that despite these assumptions, the amount of \$17,500,000 is not sufficient to enable the Office of Housing Expediter to do an adequate job of executing the Federal rent control laws.

I therefore enter a motion to reconsider the vote whereby the Senate agreed to the House amendment to Senate amendment No. 46 to H. R. 4177, the independent offices appropriation bill for 1950.

The PRESIDING OFFICER. The motion will be entered.

EXECUTIVE SESSION

Mr. MYERS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. (Mr. STENNIS in the chair). If there be no reports of committees, the clerk will proceed to state the business on the Executive Calendar.

INTERNATIONAL RECOGNITION OF RIGHTS IN AIRCRAFT—CONVENTION PASSED OVER

Executive E (81st Cong., 1st sess.), the Convention on the International Recognition of Rights in Aircraft, signed at Geneva on June 19, 1948, was announced as first in order.

Mr. MYERS. Mr. President, that treaty is to be passed over.

Mr. CONNALLY. Mr. President, this is a treaty which was handled in the subcommittee by the Senator from Florida [Mr. PEPPER]. It was thoroughly explained to the Foreign Relations Committee, and we think it should be ratified. It is not controversial. No one objected to it.

Mr. WHERRY. Mr. President, I had understood that the treaties to be considered were the remaining treaties on the calendar. Personally I have no objection to this particular treaty, but I should like very much to have an opportunity to consult with one or two Senators who I know are vitally interested in the recognition of rights in aircraft be-

fore the treaty is approved. Would the Senator from Texas consent to allowing the treaty to go over until tomorrow?

Mr. CONNALLY. I shall be obliged to do so if the Senator from Nebraska so requests. There was no opposition in the committee to the treaty.

Mr. WHERRY. I understand that. However, one Senator asked me about the treaties to be considered, and I did not know that this treaty was to be considered. I understood that it was the remaining treaties which were to be considered.

Mr. CONNALLY. Very well.

The PRESIDING OFFICER. The treaty will be passed over.

INTERNATIONAL CONVENTION FOR THE NORTHWEST ATLANTIC FISHERIES

The Senate, as in Committee of the Whole, proceeded to consider the convention, Executive N (81st Cong., 1st sess.), the International Convention for the Northwest Atlantic Fisheries, formulated at the International Northwest Atlantic Fisheries Conference and signed at Washington under date of February 8, 1949, by the plenipotentiaries of the United States of America and by the plenipotentiaries of certain other governments, which was read the second time, as follows:

INTERNATIONAL CONVENTION FOR THE NORTHWEST ATLANTIC FISHERIES

The Governments whose duly authorized representatives have subscribed hereto, sharing a substantial interest in the conservation of the fishery resources of the Northwest Atlantic Ocean, have resolved to conclude a convention for the investigation, protection and conservation of the fisheries of the Northwest Atlantic Ocean, in order to make possible the maintenance of a maximum sustained catch from those fisheries and to that end have, through their duly authorized representatives, agreed as follows:

ARTICLE I

1. The area to which this Convention applies, hereinafter referred to as "the Convention area", shall be all waters, except territorial waters, bounded by a line beginning at a point on the coast of Rhode Island in 71°40' west longitude; thence due south to 39°00' north latitude; thence due east to 42°00' west longitude; thence due north to 59°00' north latitude; thence due west to 44°00' west longitude; thence due north to the coast of Greenland; thence along the west coast of Greenland to 78°10' north latitude; thence southward to a point in 75°00' north latitude and 73°30' west longitude; thence along a rhumb line to a point in 69°00' north latitude and 59°00' west longitude; thence due south to 61°00' north latitude; thence due west to 64°30' west longitude; thence due south to the coast of Labrador; thence in a southerly direction along the coast of Labrador to the southern terminus of its boundary with Quebec; thence in a westerly direction along the coast of Quebec, and in an easterly and southerly direction along the coasts of New Brunswick, Nova Scotia, and Cape Breton Island to Cabot Strait; thence along the coasts of Cape Breton Island, Nova Scotia, New Brunswick, Maine, New Hampshire, Massachusetts, and Rhode Island to the point of beginning.

2. Nothing in this Convention shall be deemed to affect adversely (prejudice) the claims of any Contracting Government in regard to the limits of territorial waters or to the jurisdiction of a coastal state over fisheries.

S. RES. 151

IN THE SENATE OF THE UNITED STATES

AUGUST 5 (legislative day, JUNE 2), 1949

Mr. McCLELLAN (for himself and Mr. MUNDT) submitted the following resolution; which was referred to the Committee on Expenditures in the Executive Departments

AUGUST 8 (legislative day, JUNE 2), 1949

Reported by Mr. McCLELLAN, without amendment

AUGUST 17 (legislative day, JUNE 2), 1949

Considered and disagreed to

RESOLUTION

- 1 *Resolved*, That the Senate does not favor the Reorgan-
- 2 ization Plan Numbered 2 transmitted to Congress by the
- 3 President on June 20, 1949.

RESOLUTION

Disapproving Reorganization Plan Numbered 2
of 1949.

By Mr. McCLELLAN and Mr. MUNDT

AUGUST 5 (legislative day, JUNE 2), 1949

Referred to the Committee on Expenditures in the
Executive Departments

AUGUST 8 (legislative day, JUNE 2), 1949

Reported without amendment

AUGUST 17 (legislative day, JUNE 2), 1949

Considered and disagreed to

REORGANIZATION PLAN NO. 3 OF 1949—POST OFFICE
DEPARTMENT

M E S S A G E

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

REORGANIZATION PLAN NO. 3 OF 1949, CONSTITUTING AN IMPOR-
TANT FIRST STEP IN STRENGTHENING THE ORGANIZATION OF
THE POST OFFICE DEPARTMENT

JUNE 20, 1949.—Referred to the Committee on Expenditures in the Executive
Departments and ordered to be printed.

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 3 of 1949, prepared in accordance with the provisions of the Reorganization Act of 1949. This plan constitutes an important first step in strengthening the organization of the Post Office Department.

One of the prime essentials of good departmental administration is authority from the Congress to a department head to organize and control his department. The Commission on Organization of the executive branch of the Government emphasized in its first and subsequent reports that separate authorities to subordinates should be eliminated. The plan gives the Postmaster General the necessary authority to organize and control his Department by transferring to him the functions of all subordinate officers and agencies of the Post Office Department, including the functions of each Assistant Postmaster General, the Purchasing Agent, the Comptroller, and the Bureau of Accounts. The Postmaster General is authorized to delegate to subordinates designated by him such of his functions as he may deem appropriate.

The Postmaster General is responsible for the management of one of the world's largest businesses. Like the head of any large business, the Postmaster General should be given adequate top-level assistance in carrying on the operations of the Department so that he may have time to devote to matters of departmental and public policy. In order to provide needed assistance to the Postmaster General, the plan

establishes the positions of Deputy Postmaster General, and four Assistant Postmasters General, comparable to the positions of Under Secretary and Assistant Secretaries in other departments.

The plan also establishes an Advisory Board for the Post Office Department, composed of the Postmaster General, the Deputy Postmaster General, and seven other members representing the public who shall be appointed by the President by and with the advice and consent of the Senate. The Advisory Board will make available to the Postmaster General the advice of outstanding private citizens and will afford a useful channel for the interchange of views between postal officials and the public concerning the operations of the postal service.

I have found after investigation that each reorganization contained in the plan is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1949. I have also found and hereby declare that by reason of the reorganization made by this plan, it is necessary to include in the plan provisions for the appointment and compensation of the Deputy Postmaster General, four Assistant Postmasters General, and members of the Advisory Board for the Post Office Department. The plan abolishes the Bureau of Accounts of the Post Office Department and the offices of Comptroller, Purchasing Agent, First, Second, Third, and Fourth Assistant Postmasters General.

This plan carries into effect those of the recommendations of the Commission on Organization of the Executive Branch of the Government respecting the Post Office Department which can be accomplished under the provisions of the Reorganization Act. I am also transmitting to the Congress recommendations for legislation which will implement other recommendations of the Commission and place the operations of the Post Office Department on a more businesslike basis.

The primary result of this reorganization plan will be more effective administration. Although a substantial reduction in expenditures will not be brought about by the plan alone, major economies can be achieved over a period of time as a result of this plan and the enactment of the postal legislation which I am recommending to the Congress.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 20, 1949.*

REORGANIZATION PLAN NO. 3 OF 1949

Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, June 20, 1949, pursuant to the provisions of the Reorganization Act of 1949, approved June 20, 1949

POST OFFICE DEPARTMENT

SECTION 1. *Functions of the Postmaster General.*—(a) There are hereby transferred to the Postmaster General the functions of all subordinate officers and agencies of the Post Office Department, including the functions of each Assistant Postmaster General, the Purchasing Agent for the Post Office Department, the Comptroller, and the Bureau of Accounts.

(b) The Postmaster General is hereby authorized to delegate to any officer, employee, or agency of the Post Office Department designated by him such of his functions as he deems appropriate.

SEC. 2. *Deputy Postmaster General.*—There shall be in the Post Office Department a Deputy Postmaster General, who shall be appointed by the President by and with the advice and consent of the Senate, shall perform such duties as the Postmaster General may designate, and shall receive compensation at the rate of \$10,330 per annum or such other compensation as may be provided by law for the under secretaries of executive departments after the date of transmittal of this reorganization plan to the Congress.

SEC. 3. *Assistant Postmasters General.*—There shall be in the Post Office Department four Assistant Postmasters General, who shall be appointed by the President by and with the advice and consent of the Senate, shall perform such duties as the Postmaster General may designate, and shall receive compensation at the rate of \$10,330 per annum or such other compensation as may be provided by law for the assistant secretaries of executive departments after the date of transmittal of this reorganization plan to the Congress.

SEC. 4. *Advisory Board.*—There is hereby established an Advisory Board for the Post Office Department of which the Postmaster General shall be chairman and the Deputy Postmaster General the vice chairman. The Board shall have seven additional members, representative of the public, who shall be appointed by the President by and with the advice and consent of the Senate. The members so appointed shall each receive compensation of \$50 per diem when engaged in duties as members of the Board (including travel time to and from their homes or regular places of business) and reasonable subsistence and travel expense as determined by the Postmaster General. The Board shall meet quarterly at the seat of the government in the District of Columbia, or at such other time and place as the Postmaster General shall determine, for the purpose of considering methods and policies for the improvement of the postal service, and shall advise and make recommendations to the Postmaster General with respect to such methods and policies.

SEC. 5. *Agencies abolished.*—(a) There are hereby abolished the Bureau of Accounts in the Post Office Department (including the office of Comptroller) and the office of Purchasing Agent for the Post Office Department.

(b) The offices of First Assistant Postmaster General, Second Assistant Postmaster General, Third Assistant Postmaster General, and Fourth Assistant Postmaster General (5 U. S. C. 363) are hereby abolished; but the incumbents thereof immediately prior to the taking of effect of the provisions of this reorganization plan shall without reappointment be the first Assistant Postmasters General in office under the provisions of section 3 hereof.

SEC. 6. *Employees, records, property, and funds.*—The employees now being employed, and the records and property now being used or held, in connection with any functions transferred by the provisions of this reorganization plan are hereby transferred to such agencies of the Post Office Department as the Postmaster General shall designate. The unexpended balances of appropriations, allocations, and other funds available or to be made available for use in connection with such functions shall remain so available.

REORGANIZATION PLAN NO. 4 OF 1949—TRANSFERRING
THE NATIONAL SECURITY COUNCIL AND THE
NATIONAL SECURITY RESOURCES BOARD

M E S S A G E

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

REORGANIZATION PLAN NO. 4 OF 1949, TRANSFERRING THE
NATIONAL SECURITY COUNCIL AND THE NATIONAL SECURITY
RESOURCES BOARD TO THE EXECUTIVE OFFICE OF THE PRESI-
DENT

JUNE 20, 1949.—Referred to the Committee on Expenditures in the Executive
Departments, and ordered to be printed

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 4 of 1949, prepared in accordance with the provisions of the Reorganization Act of 1949. The plan transfers the National Security Council and the National Security Resources Board to the Executive Office of the President. After investigation I have found, and I hereby declare, that each reorganization included in the plan is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1949.

The growth of the executive branch and the increasingly complex nature of the problems with which it must deal have greatly intensified the necessity of strong and well-coordinated staff facilities to enable the President to meet his responsibilities for the effective administration of the executive branch of the Government. Ten years ago several of the staff agencies of the executive branch were brought together in the Executive Office of the President under the immediate direction of the President. The wisdom of this step has been demonstrated by greatly improved staff assistance to the President, which has contributed importantly to the management of the Government during the trying years of war and of postwar adjustment.

Since the creation of the Executive Office of the President, however, the Congress has further recognized the need for more adequate central staff and created two new important staff agencies to assist

the President—the National Security Council and the National Security Resources Board. The primary function of the first of these agencies, as defined by statute, is—

to advise the President with respect to the integration of domestic, foreign, and military policies relating to the national security.

The function of the second is—

to advise the President concerning the coordination of military, industrial, and civilian mobilization.

Within their respective fields these agencies assist the President in developing plans and policies which extend beyond the responsibility of any single department of the Government. In this they play a role similar in character to that of the various units of the Executive Office of the President. In fact, many of the problems with which they deal require close collaboration with the agencies of the Executive Office.

Since the principal purpose of the National Security Council and the National Security Resources Board is to advise and assist the President and their work needs to be coordinated to the fullest degree with that of other staff arms of the President, such as the Bureau of the Budget and the Council of Economic Advisers, it is highly desirable that they be incorporated in the Executive Office of the President. The importance of this transfer was recognized by the Commission on Organization of the Executive Branch of the Government, which specifically recommended such a change as one of the essential steps in strengthening the staff facilities of the President and improving the over-all management of the executive branch.

Because of the necessity of coordination with other staff agencies, the National Security Council and the National Security Resources Board are physically located with the Executive Office of the President and I have taken steps to assure close working relations between them and the agencies of the Executive Office. This plan, therefore, will bring their legal status into accord with existing administrative practice. It is not probable that the reorganizations included in the plan will immediately result in reduced expenditures. They will, however, provide a firm foundation for maintaining and furthering the efficient administrative relationships already established, and for assuring that we have provided permanent arrangements vitally necessary to the national security.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 20, 1949.*

REORGANIZATION PLAN NO. 4 OF 1949

Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, June 20, 1949, pursuant to the provisions of the Reorganization Act of 1949, approved June 20, 1949

EXECUTIVE OFFICE OF THE PRESIDENT

The National Security Council and the National Security Resources Board, together with their respective functions, records, property, personnel, and unexpended balances of appropriations, allocations, and other funds (available or to be made available), are hereby transferred to the Executive Office of the President.

REORGANIZATION PLAN NO. 5 OF 1949—UNITED STATES
CIVIL SERVICE COMMISSION

M E S S A G E

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

REORGANIZATION PLAN NO. 5 OF 1949, PROVIDING FOR UNIFIED
DIRECTION BY THE CHAIRMAN OF THE UNITED STATES CIVIL
SERVICE COMMISSION OF THE EXECUTIVE AFFAIRS OF THE
COMMISSION

JUNE 20, 1949.—Referred to the Committee on Expenditures in the Executive
Departments and ordered to be printed

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 5 of 1949, prepared in accordance with the provisions of the Reorganization Act of 1949. This plan provides for unified direction by the Chairman of the United States Civil Service Commission of the executive affairs of the Commission. At the same time, it maintains the advantages of the bipartisan three-member Commission. The Commission will continue to advise the President on the civil-service system, to issue the basic civil-service regulations, and to assure protection of merit-system principles by conducting investigations and determining appeals.

The need for this reorganization stems from the Government-wide importance of civil-service administration in the executive branch. As in private business, the effectiveness of Government departments and agencies depends in very large part on the competence and morale of the officers and employees. The management of every department and almost every agency and independent establishment is intimately affected by the civil-service system. It is essential that the Commission which directs that system should be effectively organized to discharge its responsibilities. This plan carries into effect one of the major recommendations of the Commission on Organization of the Executive Branch of the Government.

The Civil Service Commission was established in 1883 as a three-member body to aid the President in making the civil-service rules,

and to administer a comparatively simple civil-service system. Each Commissioner was made equally responsible under the law for performing the functions assigned to the Commission and the three members functioned as a body in the management of the agency.

Sixty-six years ago the new agency conducted a single major operating program—the recruitment and examination of candidates for admission to the civil service. Eight executive departments then constituted the entire executive branch. The total Federal employment was about 110,000. That is less than are now employed by any one of the five largest executive agencies.

Today the work of the Commission is vastly different, reflecting the great changes in the Government itself and the progress that has been made in personnel management, both in Government and private business. To this original job of recruitment and examination, acts of Congress have subsequently added many other operating programs. Two of these in particular involve large-scale operations: The administration of the civil-service retirement system and the administration of the Classification Act. This augmented program applies today to a government about 20 times as large as that of 1883, employing men and women drawn from almost every American occupation and profession. The statutory structure of the Civil Service Commission itself, however, has not been adjusted over the years to its changing functions.

In its analysis of Federal personnel management, the Commission on Organization of the Executive Branch of the Government stressed the distinction between two types of functions now vested in the Civil Service Commission. In the interest of effective and equitable administration the nature of each of these functions must be recognized.

The development and promulgation of civil-service regulations for the guidance of the departments and agencies under the civil service, and the conduct of hearings on matters appealed by individuals or departments are appropriate for a three-member bipartisan Commission. Here deliberation is important for the protection of the integrity of the civil-service system.

On the other hand, the administrative direction of the day-to-day operations of the Commission's staff requires the unified leadership of one responsible individual. This is particularly so because of the operating relationships with the departments and agencies. Here decisive, prompt, and vigorous action is essential.

The operational functions require a type of leadership different from that useful for the deliberative functions. But under the present statutory organization, the same multiple leadership is provided for both.

Accordingly, this reorganization plan separates day-to-day administration from the regulatory and appellate functions. It leaves vested in the full Commission final authority with respect to (1) the formulation of civil-service rules and regulations, (2) hearing and taking action on all types of appeals, (3) the administration of the political-activity statutes, (4) the investigation of all matters pertaining to the civil service, and (5) the function of recommending measures to the President to promote the more effectual accomplishment of the objectives of the civil-service laws and rules.

To aid the full Commission in the exercise of these powers, the plan provides that the regular, full-time personal assistants to the Com-

mission shall be appointed by the Commission itself, and that regional directors and the heads of major administrative units shall be appointed by the Chairman only after consultation with the other Commissioners.

At the same time, to facilitate the most effective and expeditious administration of civil-service matters and related affairs, the plan concentrates operating responsibility and accountability in the Chairman by vesting in him the operating functions under the civil-service rules and regulations. As the chief executive and administrative officer, the Chairman is empowered to appoint, supervise, and direct the Commission staff in the administration of the Commission's affairs. In the conduct of civil-service operations the Chairman is subject to the regulations of the full Commission and to their investigatory powers and appellate jurisdiction. The plan leaves undisturbed the civil-service laws and rules as the controlling body of policy. It preserves the bipartisan nature of the Commission.

To provide assurance of undivided responsibility, the plan transfers to the Chairman all of the functions now vested in the President of the Commission, the Executive Director and Chief Examiner, and the Secretary of the Commission.

Thus the plan provides suitable organization arrangements for both the deliberative and the operational functions.

The plan also provides for the position of Executive Director, under the classified competitive civil service. He is to be the chief operating deputy to the Chairman. The Executive Director is authorized to perform the executive and administrative functions of the Chairman in his absence, but is specifically prohibited from sitting as a member or acting member of the Commission.

I have found after investigation and hereby declare that each reorganization included in the plan is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1949. I have also found and hereby declare that by reason of the reorganizations made by this plan, it is necessary to include in the plan provisions for the appointment and compensation of the Executive Director.

It is important to consider the economies which will be realized by the adoption of reorganization plans. The Commission on Organization of the Executive Branch of the Government in its report on personnel management stated:

This is, of course, an area in which it is difficult to develop estimates of savings. After a careful consideration, however, of the various factors involved, the Commission does believe that great savings can be achieved if the Commission's recommendations are put into effect.

The economies to be attained by this plan will result from improvements in the operation of the civil-service system. It is improbable, however, that this plan, in itself, will result in substantial immediate savings. To accomplish the benefits envisioned in the report of the Commission on Organization of the Executive Branch of the Government, this first step of internal adjustment in the organization of the Civil Service Commission should be followed by revisions in basic personnel legislation.

The modification of the Civil Service Commission here proposed is designed to create a modern organization to meet today's problems—an organization which safeguards the merit principles of the civil

service and at the same time makes possible the exercise of responsible, unified leadership in the administrative operations of the civil-service system.

HARRY S. TRUMAN.

THE WHITE HOUSE, June 20, 1949.

REORGANIZATION PLAN NO. 5 OF 1949

Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, June 20, 1949, pursuant to the provisions of the Reorganization Act of 1949, approved June 20, 1949

CIVIL SERVICE COMMISSION

SECTION 1. *Chairman, United States Civil Service Commission.*—The President of the United States shall from time to time designate one of the Civil Service Commissioners constituting the United States Civil Service Commission (hereinafter referred to as the Commission) as the presiding head of the Commission with the title of "Chairman, United States Civil Service Commission."

SEC. 2. *Functions of Chairman.*—(a) In order to facilitate the most effective and expeditious administration of civil-service matters and related affairs, there are hereby transferred to the Chairman, United States Civil Service Commission, hereinafter referred to as the Chairman, who shall be the chief executive and administrative officer of the Commission:

- (1) The functions of the President of the Commission;
- (2) The functions of the Executive Director and Chief Examiner of the Commission and of the Secretary thereof;
- (3) The functions of the Commission with respect to the appointment of personnel employed under the Commission: *Provided*, That employees who are engaged regularly and full time in assisting the Commission in the performance of the functions reserved to it under sections 2 (a) (6) (i) to 2 (a) (6) (vii), inclusive, of this reorganization plan shall be appointed by the Commission: *And provided further*, That the regional directors, and the heads of the major administrative units reporting directly to the Chairman or to the Executive Director, shall be appointed by the Chairman only after consultation with the other Civil Service Commissioners;
- (4) The functions of the Commission with respect to the direction of employees of the Commission, the supervision of all activities of such employees, the distribution of business among employees and organizational units of the Commission, and the direction of the internal management of the Commission's affairs: *Provided*, That there are not transferred by the provisions of this section 2 (a) (4) any functions with respect to employees whose appointment remains vested in the Commission under the first proviso of section 2 (a) (3), above;
- (5) The functions of the Commission with respect to directing the preparation of the budget estimates and with respect to the use and expenditure of funds; and
- (6) The functions of the Commission with respect to executing, administering, and enforcing (A) the civil-service rules and regula-

tions of the President of the United States and of the Commission and the laws governing the same, and (B) the other activities of the Commission, including retirement and classification activities: *Provided*, That there are not transferred by the provisions of this section 2 (a) (6) the functions of the Commission with respect to:

(i) The preparation of suitable rules in accordance with the provisions of the first subsection of section 2 of the Act of January 16, 1883 (ch. 27, 22 Stat. 403), and the making of an annual report under the fifth subsection of said section 2;

(ii) The promulgation of any rules, regulations, or similar policy directives, now vested in the Commission;

(iii) The prevention of pernicious political activities, including such functions under the Act of July 19, 1940 (54 Stat. 767), as amended;

(iv) The hearing or providing for the hearing of appeals, including appeals with respect to examination ratings, veterans' preference, racial and religious discrimination, disciplinary action, efficiency ratings, and dismissals, and the taking of such final action on such appeals as is now authorized to be taken by the Commission;

(v) The recommendation to the President for transmission to the Congress of such legislative or other measures as will promote an efficient Federal service and a systematic application of merit system principles, including measures relating to the selection, promotion, transfer, performance, pay, conditions of service, tenure, and separation of Federal employees;

(vi) The investigation of matters pertaining to the administration of functions of the Commission or Chairman; nor

(vii) The revision and submission to the Bureau of the Budget of budget estimates.

(b) The functions transferred by the provisions of sections 2 (a) (2) to 2 (a) (6), inclusive, of this reorganization plan shall be performed by the Chairman or, subject to his direction and control, by such officers and employees under his jurisdiction as he shall designate.

(c) Each Civil Service Commissioner, including the Chairman, and duly authorized representatives of the Commission or Chairman, shall have authority to administer oaths pursuant to section 1 of the Act of August 23, 1912 (ch. 350 (37 Stat. 372)).

SEC. 3. *Executive Director*.—There shall be under the Chairman an Executive Director who shall be appointed by the Chairman under the classified civil service. During the absence or disability of the Chairman, or in the event of a vacancy in the office of Chairman, the Executive Director shall perform those functions of the Chairman which are transferred to the Chairman by the provisions of sections 2 (a) (2) to 2 (a) (6), inclusive, of this reorganization plan unless the President shall designate another person so to perform said functions: *Provided*, That the Executive Director shall at no time sit as a member or acting member of the Commission.

SEC. 4. *Offices abolished*.—The heretofore existing offices of Executive Director and Chief Examiner, and the office of Secretary of the Commission and the title of "President of the United States Civil Service Commission" are hereby abolished.

REORGANIZATION PLAN NO. 6 OF 1949—MARITIME
COMMISSION

M E S S A G E

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

REORGANIZATION PLAN NO. 6 OF 1949, DESIGNED TO STRENGTHEN THE ADMINISTRATION OF THE UNITED STATES MARITIME COMMISSION BY MAKING THE CHAIRMAN THE EXECUTIVE AND ADMINISTRATIVE OFFICER OF THE COMMISSION AND VESTING IN HIM RESPONSIBILITY FOR THE APPOINTMENT OF ITS PERSONNEL AND THE SUPERVISION AND DIRECTION OF THEIR ACTIVITIES

JUNE 20, 1949.—Referred to the Committee on Expenditures in the Executive Departments and ordered to be printed

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 6 of 1949, prepared in accordance with the Reorganization Act of 1949. This plan is designed to strengthen the administration of the United States Maritime Commission by making the Chairman the chief executive and administrative officer of the Commission and vesting in him responsibility for the appointment of its personnel and the supervision and direction of their activities. After investigation, I have found and hereby declare that each reorganization included in this plan is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1949.

Unlike other major regulatory commissions, the Maritime Commission is responsible not only for the performance of important regulatory functions but also for the administration of large and complex operating and promotional programs. Whereas the budgets of most regulatory agencies amount to only a few million dollars annually, the expenditures of the Maritime Commission exceed \$130,000,000 a year.

As a result of the war the Commission is the owner of a fleet of over 2,300 ships, aggregating more than 23,000,000 dead-weight tons.

While it is the policy of the Government, as set forth by the Merchant Marine Act of 1936 and the Merchant Ship Sales Act of 1946, to develop and maintain an adequate and effective merchant marine under private ownership, the Commission is still confronted with the necessity of carrying on substantial programs for the charter and sale of Government-owned vessels and with the continuing task of maintaining the reserve merchant fleet.

Apart from its functions with respect to the war-built fleet, the accomplishment of the Government's permanent objective with respect to the development of the American merchant marine inevitably involves the Commission to a wide variety of activities. Among these are the regulation of rates and competitive practices of water carriers, the determination of essential trade routes and services, the award of subsidies to offset differences between American and foreign costs, the design and construction of ships, the inspection of subsidized vessels, and the training of seamen.

In the last 2 years the operation of the Maritime Commission has been subjected to independent examination by three bodies—the President's Advisory Committee on the Merchant Marine, the Senate Committee on Expenditures in the Executive Departments, and the Commission on Organization of the Executive Branch of the Government. All of these studies have pointed to difficulties in the conduct of the Commission's business and the necessity of improved organization to strengthen the administration of the agencies. The remedies proposed have differed in some respects, but all the studies have emphasized the need of concentrating in a single official the management of a large part of the agency's work.

During the war such a concentration was temporarily accomplished by Executive order under the authority of the First War Powers Act. In effect, the Chairman of the Commission, as War Shipping Administrator, was made directly responsible for the administration of several major operating programs of the Commission. This arrangement proved its value under the stress of war. About a year after the end of the fighting, however, it was terminated and the organization reverted to the prewar pattern.

As a result of postwar experience, the Commission appointed a general manager in 1948. While this has brought considerable improvement, it has not extricated the Commission from administration to the degree which is desirable.

After careful consideration of the problems involved in improving the operation of the Maritime Commission, I have concluded that the proper action at this time is to concentrate in the Chairman the responsibility for the internal administration of the agency. This is achieved by the proposed reorganization plan by transferring to the Chairman the appointment of the personnel of the agency, except for the immediate assistants of the Commissioners, and the supervision and direction of their work. This is substantially the arrangement recommended for regulatory commissions by the Commission on Organization of the Executive Branch of the Government.

Such a plan of organization has many advantages. It leaves in the Commission as a body the performance of regulatory functions, the determination of subsidies, and the determination of major policies. Thus, it utilizes the Commission for the type of work for which such

a body is best adapted. At the same time the plan places under a single official the day-to-day direction of the work of the staff within the policies and determinations adopted by the Commission in the exercise of its functions. This will provide more businesslike administration and help to overcome the delays, backlogs, and operating difficulties which have hampered the agency. At the same time by freeing the members of the Commission of much detail, the plan will enable them to concentrate on major questions of policy and program and thereby will obtain earlier and better considered resolution of the basic problems of the agency.

Though the taking effect of this plan in itself may not result in substantial immediate economies, it is probable that the improved organizational arrangements will bring about, over a period of time, improved operations and substantially reduced expenditures. An itemization of these reductions, however, in advance if actual experience under the plan is not practicable.

I am convinced that this reorganization plan will contribute importantly to the more businesslike and efficient administration of the programs of the Maritime Commission.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 20, 1949.*

REORGANIZATION PLAN NO. 6 OF 1949

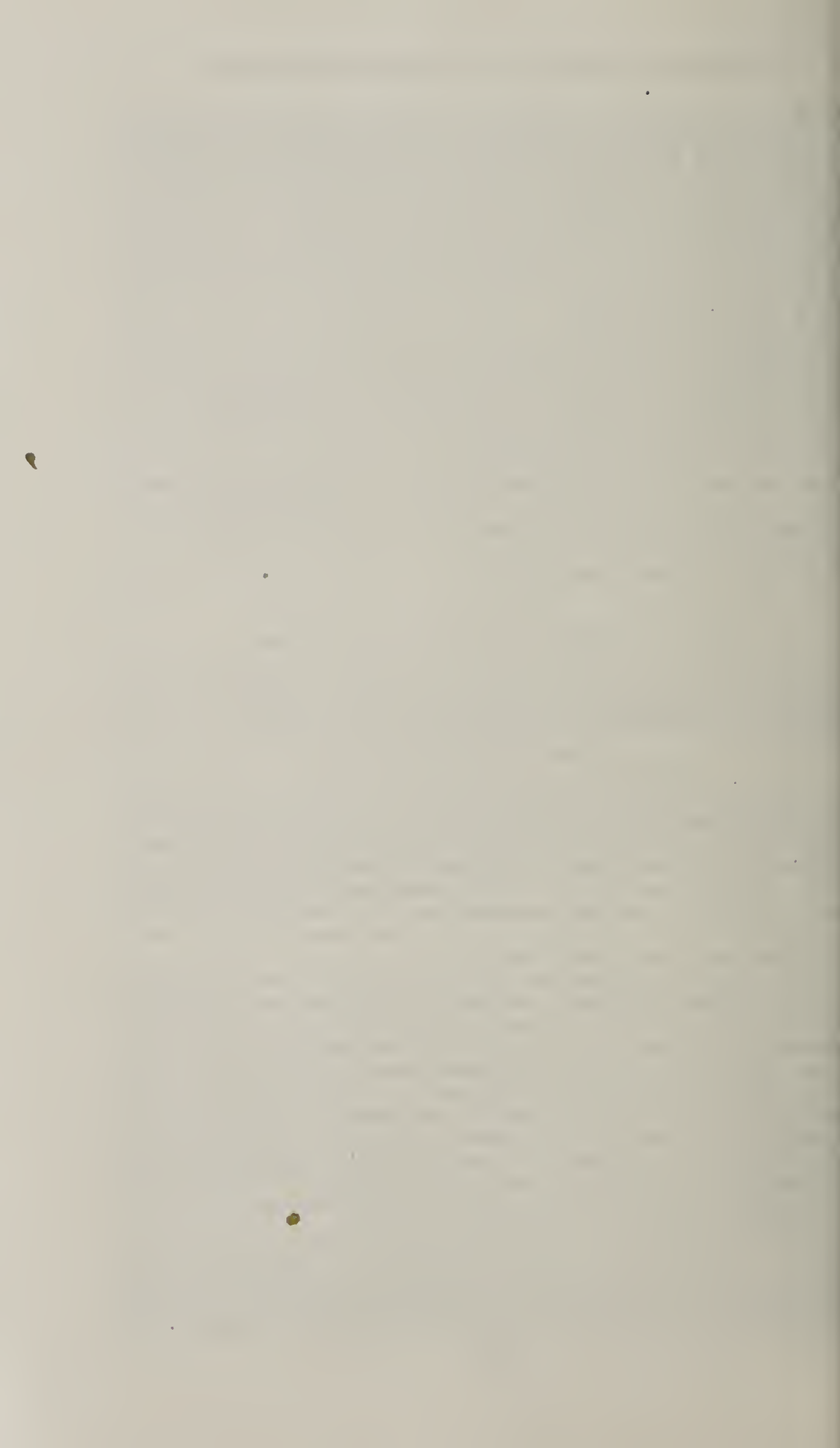
Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, June 20, 1949, pursuant to the provisions of the Reorganization Act of 1949, approved June 20, 1949

UNITED STATES MARITIME COMMISSION

SECTION 1. *Administration of functions of Commission.*—The Chairman of the United States Maritime Commission shall be the chief executive and administrative officer of the United States Maritime Commission. In executing and administering on behalf of the Commission its functions (exclusive of functions transferred by the provisions of section 2 of this reorganization plan) the Chairman shall be governed by the policies, regulatory decisions, findings, and determinations of the Commission.

SEC. 2. *Transfer of functions.*—There are hereby transferred from the United States Maritime Commission to the Chairman of the Commission the functions of the Commission with respect to (1) the appointment and supervision of all personnel employed under the Commission, (2) the distribution of business among such personnel and among organizational units of the Commission, and (3) the use and expenditure of funds for administrative purposes: *Provided*, That the provisions of this section do not extend to personnel employed regularly and full time in the offices of members of the Commission other than the Chairman: *Provided further*, That the heads of the major administrative units shall be appointed by the Chairman only after consultation with the other members of the Commission.

SEC. 3. *Performance of transferred functions.*—The functions of the Chairman under the provisions of this reorganization plan shall be performed by him or, subject to his supervision and direction, by such officers and employees under his jurisdiction as he shall designate.



REORGANIZATION PLAN NO. 7 OF 1949—TRANSFERRING
THE PUBLIC ROADS ADMINISTRATION

M E S S A G E

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

REORGANIZATION PLAN NO. 7 OF 1949, TRANSFERRING THE
PUBLIC ROADS ADMINISTRATION TO THE DEPARTMENT OF
COMMERCE

JUNE 20, 1949.—Referred to the Committee on Expenditures in the Executive
Departments and ordered to be printed

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 7 of 1949, prepared in accordance with the provisions of the Reorganization Act of 1949. This plan transfers the Public Roads Administration to the Department of Commerce. After investigation I have found and hereby declare that each reorganization included in this plan is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1949.

This plan directly carries out the recommendation of the Commission on Organization of the Executive Branch of the Government with respect to the Public Roads Administration. That the Department of Commerce is the appropriate location for the Public Roads Administration in the executive branch is evident from the nature of its functions and the basic purpose of the Department. The Public Roads Administration is primarily engaged in planning and financing the development of the highways which provide the essential facilities for motor transportation throughout the country. Thus, it comes directly within the purpose of the Department of Commerce, as defined by its organic act, which provides:

It shall be the province and duty of said Department to foster, promote, and develop the foreign and domestic commerce * * * and the transportation facilities of the United States.

In its reorganization proposals, the Commission on Organization of the Executive Branch of the Government adhered to the statutory definition of the functions and role of the Department of Commerce.

President Franklin D. Roosevelt and the Congress likewise were guided by this concept of the Department in transferring to it the Civil Aeronautics Administration and the Inland Waterways Corporation under the Reorganization Act of 1939. A careful review of the structure of the executive branch reveals no other department or agency in which the Public Roads Administration can so appropriately be located.

The desirability of this transfer of the Public Roads Administration is further emphasized by its relation to the Federal Property and Administrative Services bill now pending in the Senate. This bill creates a new General Services Administration and concentrates in it the principal central administrative service programs of the executive branch. The bill also revises the basic legislation on property management. It has been passed by the House of Representatives by an overwhelming vote and unanimously reported by the Senate Committee on Expenditures in the Executive Departments and awaits final action on the floor of the Senate. This measure substantially conforms to recommendations which I submitted to the Congress more than a year ago and to proposals more recently presented by the Commission on Organization of the Executive Branch of the Government, with which I concur. The enactment of this bill will constitute an important step in increasing the efficiency of Federal administration. Since the bill makes permanent provision for the disposal of surplus property, now handled by the War Assets Administration which will expire by law on June 30, early enactment is vital.

In establishing the General Services Administration the Federal Property and Administrative Services bill transfers to the Administration all of the functions and units of the Federal Works Agency. Part of these functions relating to the housing of the governmental establishment clearly fall within the purpose of such an Administration. Certain other functions of the Federal Works Agency, however, bear very little real relation to the objectives of the General Services Administration. The congressional committees which have dealt with the bill have frankly indicated that further consideration must be given to the proper location of some of the programs of the Federal Works Agency. The sooner these unrelated programs can be removed from the new agency, the sooner it can concentrate its efforts upon improving administrative services throughout the executive branch and make the contribution to governmental efficiency for which it has been designed.

Principal among the programs of the Federal Works Agency which are unrelated to the General Services Administration are those of the Public Roads Administration. This agency is primarily engaged in the administration of Federal grants to States for highway purposes rather than in the performance of services for other Federal agencies. Its functions, therefore, do not fall within the field of activities of the General Services Administration. Their inclusion cannot but complicate and impede the development of the General Services Administration in the performance of its intended purpose. This reorganization plan will eliminate such a difficulty.

Since the Public Roads Administration will be transferred bodily from one major agency to another, it is not to be expected that this reorganization will directly result in any appreciable reduction in its expenditures at this time. However, the plan will make for better

organization and direction of Federal programs relating to transportation. Assuming the early enactment of the Federal Property and Administrative Services bill, the plan will also materially simplify the development of the proposed General Services Administration and thereby facilitate improvements in the efficiency of administrative services throughout the Government.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 20, 1949.*

REORGANIZATION* PLAN NO. 7 OF 1949

Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, June 20, 1949, pursuant to the provisions of the Reorganization Act of 1949, approved June 20, 1949

PUBLIC ROADS ADMINISTRATION

SECTION 1. *Transfer of Public Roads Administration.*—The Public Roads Administration, together with its functions, including the functions of the Commissioner of Public Roads, is hereby transferred to the Department of Commerce and shall be administered by the Commissioner of Public Roads subject to the direction and control of the Secretary of Commerce.

SEC. 2. *Transfer of certain functions of Federal Works Administrator.*—All functions of the Federal Works Administrator with respect to the agency and functions transferred by the provisions of section 1 hereof are hereby transferred to the Secretary of Commerce and shall be performed by the Secretary or, subject to his direction and control, by such officers, employees, and agencies of the Department of Commerce as the Secretary shall designate.

SEC. 3. *Records, property, personnel, and funds.*—There are hereby transferred to the Department of Commerce, to be used, employed, and expended in connection with the functions transferred by the provisions of this reorganization plan, the records and property now being used or held in connection with such functions, the personnel employed in connection with such functions, together with the Commissioner of Public Roads, and the unexpended balances of appropriations, allocations, and other funds available or to be made available for use in connection with such functions. Such further measures and dispositions as the Director of the Bureau of the Budget shall determine to be necessary in order to effectuate the transfers provided for in this section shall be carried out in such manner as the Director shall direct and by such agencies as he shall designate.

SEC. 4. *Effect of reorganization plan.*—The provisions of this reorganization plan shall become effective notwithstanding the status of the Public Roads Administration within the Federal Works Agency or within any other agency immediately prior to the effective date of this reorganization plan.



H. J. RES. 328

IN THE HOUSE OF REPRESENTATIVES

JULY 27, 1949

Mr. JUDD introduced the following joint resolution; which was referred to the Committee on Expenditures in the Executive Departments

JOINT RESOLUTION

Providing that reorganization plans numbered 3, 4, 5, 6, and 7 of 1949 shall take effect at the close of August 19, 1949.

1 *Resolved by the Senate and House of Representatives*
2 *of the United States of America in Congress assembled,*
3 That the provisions of reorganization plans numbered 3, 4,
4 5, 6, and 7 of 1949, submitted to the Congress on June 20,
5 1949, shall take effect at the close of August 19, 1949, not-
6 withstanding the provisions of the Reorganization Act of
7 1949.

SIST CONGRESS
1ST SESSION

H. J. RES. 328

JOINT RESOLUTION

Providing that reorganization plans numbered 3, 4, 5, 6, and 7 of 1949 shall take effect at the close of August 19, 1949.

By Mr. Judd

JULY 27, 1949

Referred to the Committee on Expenditures in the
Executive Departments

REORGANIZATION PLAN NO. 3 OF 1949—POST OFFICE DEPARTMENT

AUGUST 4 (legislative day JUNE 2), 1949.—Ordered to be printed

Mr. McCLELLAN, from the Committee on Expenditures in the
Executive Departments, submitted the following

R E P O R T

The President on June 20, 1949, submitted Reorganization Plan No. 3 of 1949 to accomplish those recommendations of the Commission on Organization of the Executive Branch of the Government affecting the reorganization of the Post Office Department which can be effectuated under the Reorganization Act of 1949. Although the Committee on Expenditures in the Executive Departments is not required to report favorably on reorganization plans, the committee feels it desirable to do so in order to provide the Senate with adequate information concerning the plans.

The President in his transmittal letter said:

This plan constitutes an important first step in strengthening the organization of the Post Office Department, and the plan carries into effect those of the recommendations of the Commission on Organization of the Executive Branch of the Government which can be accomplished under the provisions of the Reorganization Act. I am also transmitting to the Congress recommendations for legislation which will implement other recommendations of the Commission and place the operations of the Post Office Department on a more businesslike basis. The primary result of this reorganization plan will be more effective administration. Although a substantial reduction in expenditures will not be brought about by the plan alone, major economies can be achieved over a period of time as a result of this plan and the enactment of the postal legislation which I am recommending to the Congress.

The provisions of the plan are as follows:

Section 1 would transfer to the Postmaster General the functions of all subordinate officers and agencies of the Post Office Department, including the functions of each Assistant Postmaster General, and the Purchasing Agent for the Post Office Department, the Comptroller, and the Bureau of Accounts. This is in accord with part III, Departmental Management, of report No. 1 on General Management of the Executive Branch, relating to the delegation of authority and functions to any officer, employee, or agency of the Department.

Section 2 creates a Deputy Postmaster General who shall be appointed by the President by and with the advice and consent of the Senate, in lieu of a Director of Posts contained in the Hoover Commission recommendations.

Section 3 creates four Assistant Postmasters General to be appointed by the President by and with the advice and consent of the Senate, in lieu of the existing First, Second, Third, and Fourth Assistant Postmasters General.

Section 4 creates an advisory board in accordance with the Hoover Commission recommendations.

Section 5 abolishes the Bureau of Accounts in the Post Office Department, including the Office of the Comptroller and the Office of the Purchasing Agent. This accords with recommendations of the Hoover Commission relative to the delegation of authority to the Secretaries for reallocation of authority and functions to conform to reorganizations effected under such plan. This section also provides for the abolition of the First, Second, Third, and Fourth Assistant Postmasters General, but the incumbents of these positions, immediately prior to the effective date of the plan, are to be reappointed as Assistant Postmasters General, to fill posts created under section 3.

Section 6 requires that employees now being employed and records and property now being used or held in connection with any functions transferred by the provisions of the plan are to be reallocated as designated by the Postmaster General to conform to the change in functions authorized under the plan. This conforms to general Hoover Commission recommendations under the General Management report.

A comparison of Reorganization Plan No. 3 with recommendations of the Hoover Commission, indicates that it conforms or deviates in the following respects:

Recommendation No. 1: The postmaster should not be an official of a political party. No reference is made to this recommendation in the plan.

Recommendation No. 2: A Director of Posts should be appointed by the President and confirmed by the Senate as operating head of the Post Office Department. This recommendation was omitted from the plan, and a Deputy Postmaster General designated.

Recommendation No. 3: The postal service should be decentralized into 15 regions under regional directors of posts and district superintendents. No mention of this was included in the plan.

Recommendation No. 4: A National Board of seven advisers serving part time and representing the different elements of the public should be appointed by the President with the Postmaster General as ex officio Chairman, and the Director of Posts, ex officio, as Vice Chairman. This recommendation has been included in section 4 of the plan under which an Advisory Board is created, composed of seven members serving part time and representing the different elements of the public, of which the Postmaster General will be Chairman and the Deputy Postmaster General the Vice Chairman.

Recommendation No. 5, that the confirmation of postmasters by the Senate should be abolished, is not included in the plan.

Recommendations 6, 7, and 8, relating to business management, budgeting, accounting, and internal operations of the Post Office Department are not included in the plan.

The Honorable Herbert Hoover, Chairman of the Commission on Organization of the Executive Branch, testified before the committee on June 30, 1949, that the President's Reorganization Plan No. 3— is a preliminary step going as far as the President's authority under the act permits.

He continued:

However, since this plan was sent up, the President has sent certain recommendations to the Congress covering the entire reorganization of the Post Office Department, and a bill for reorganization has been introduced.

Since the submission of Reorganization Plan No. 3, four bills have been introduced in the Senate to further implement the Hoover Commission recommendations, all of which are under consideration by the Post Office and Civil Service Committee, as follows:

S. 2062: Providing for changes in laws applicable to the Post Office Department to furnish a basis for reorganization of the Department, and for other purposes.

S. 2097: Appointment of postmasters, first, second, and third class by promotion within civil service.

S. 2212: To provide for improved financial control over the operations of the Post Office Department.

S. 2213: Relating to the appointment of postmasters and for other purposes.

The Postmaster General in a letter of comment to the committee agrees that—

Reorganization Plan No. 3 carries into effect these recommendations of the Hoover Commission which can be adopted by resort to the provisions of the Reorganization Act.

The Postmaster General concluded that—

The enactment of S. 2212, together with legislative concurrence in Reorganization Plan No. 3 will result in long-range major economies. The immediate effect will be to enable the Postmaster General to more effectively organize and administer the postal service. Effective administration of a business as large as the postal service cannot be achieved unless the Postmaster General is given proper administrative freedom. I am of the opinion that the authorities granted by Reorganization Plan No. 3 and S. 2212 are essential to the efficient management of the postal service. The Postmaster General is presently circumscribed by too many controls vested in persons not connected with the service. These controls must be transferred to the Postmaster General if he is to properly administer the postal service.

The letter from the Postmaster General, forwarded to the chairman of the Committee on Expenditures in the Executive Departments, in response to a request for his views relative to the recommendations of the Hoover Commission which affect the Post Office Department, expresses dissent with certain of the Commission's recommendations, particularly relative to the appointment of a Director of Posts and the decentralization of the postal service to 15 regions. This letter is now being prepared for public release.

REORGANIZATION PLAN NO. 4 OF 1949—TRANSFERRING
THE NATIONAL SECURITY COUNCIL AND THE NA-
TIONAL SECURITY RESOURCES BOARD

AUGUST 4 (legislative day, JUNE 2), 1949.—Ordered to be printed

Mr. McCLELLAN, from the Committee on Expenditures in the Execu-
tive Departments, submitted the following

R E P O R T

On June 20, 1949, the President of the United States transmitted to the Congress Reorganization Plan No. 4 of 1949, prepared in accordance with the provisions of the Reorganization Act of 1949. While not required to do so under the provisions of the Reorganization Act of 1949, this committee is reporting the plan favorably in order that the record may be clear and the Senate may be cognizant of the inspection and consideration of the plan by the committee, as required by law.

PURPOSE

Reorganization Plan No. 4 of 1949 transfers the National Security Council (NSC) and National Security Resources Board (NSRB) to the Executive Office of the President, in line with recommendations of the Commission on Organization of the Executive Branch of the Government. An accompanying press release emphasizes the need of well-coordinated staff facilities to help the President to provide effective administration. Ten years back, several staff agencies were grouped into an Executive Office of the President (EOP). The greatly improved staff assistance thereby supplied to the President prompts this proposal to expand EOP to include the NSC and NSRB.

The President's message transmitting plan No. 4, states that these two agencies—

assist the President in developing plans and policies which extend beyond the responsibility of any single department of the Government (since) their work needs to be coordinated to the fullest degree with that of other staff arms of the President, such as the Bureau of the Budget and the Council of Economic Advisers, it is highly desirable that they be incorporated in the Executive Office of the President. The importance of this transfer was recognized by the Commission on Organization of the Executive Branch of the Government, which specifically

recommended such a change as one of the essential steps in strengthening the staff facilities of the President and improving the over-all management of the executive branch.

PRESENT WORK AND STATUS OF NSC AND NSRB

NSC.—The NSC must by statute appraise United States “objectives, commitments, and risks in relation to actual and potential military power (consider), policies on matters of common interest to (agencies) concerned with the national security,” and make recommendations thereon. It is an advisory body to the President and not one of the various agencies within the National Military Establishment.

The President as chairman controls NSC business, making his desires known through the executive secretary who is appointed by the President without Senate confirmation, and who acts as the President’s staff assistant for national security matters. The President is briefed daily by the executive secretary on the development of NSC affairs. He uses the executive secretary on national security matters which require the coordination of efforts of various departments. NSC studies may be submitted for advice and comment to the Bureau of the Budget, the Council of Economic Advisers, and other Presidential assistants, either during preparation or after submission as the President may prefer.

A special memorandum prepared by the executive branch in support of the proposed reorganization plan concludes that—

the Council function of advising the President indicates the desirability of its official recognition as a strictly Presidential staff organization, a high-policy planning arm of the President. It pulls together the factors involved in a national security problem and presents to the office an integrated proposal for a United States policy. This requires the coordination of Cabinet members and other high Government officials which can and should be done only by the President or in his name * * *

The NSC and its staff (31 individuals, half of whom are detailed from departments and agencies, and half are permanent career employees; current budget of \$200,000) are now housed in the Old State Department Building together with the Executive Office of the President. The Council meets regularly in the conference room of the White House.

NSRB.—NSRB mobilization planning requires (a) identification of the measures needed to mobilize the Nation’s human, natural, financial, and productive resources to meet wartime needs, and (b) “readiness planning” to ascertain the present steps, such as stock piling and selective service, which will assure that national resources will not be inadequate in critical areas in the event of war. For such purposes the NSRB in its brief history has advised the President on such vital security issues as the stock piling of strategic and critical materials, domestic rubber production policies, relocation of Government and industry, and the impact of security plans on the Nation’s resources.

To meet statutory requirements, the NSRB cooperates closely with other Presidential staff agencies. Thus it works with the Bureau of the Budget to apply the “readiness measures” quoted above, and to place mobilization planning for war upon peacetime considerations. Likewise, it must cooperate closely with the Council

of Economic Advisers to evolve those readiness measures which do not cause undue stresses and strains on the peacetime economy. With relation to the NSC, it injects into the work of that body evaluations of national security resources, and policies of economic mobilization. Outside the staff agencies of the President, the NSRB must also assume leadership in coordinating and stimulating various executive agencies to undertake readiness measures.

HOOVER COMMISSION REPORT ON GENERAL MANAGEMENT

The portion of this report devoted to the Executive Office of the President discusses the Presidential practice of many years of setting up interdepartmental Cabinet committees to advise on foreign and domestic aspects of important problems. Two of the most conspicuous of these committees have been NSC and NSRB, which were made advisory agencies to the President by the National Security Act of 1947. They are located in the same building with the present members of the President's office, and to all intents and purposes are part of that agency. Recommendation No. 7 of this Hoover report reads as follows:

The National Security Council and the National Security Resources Board, with their respective staffs, should be made, formally as well as in practice, a part of the President's office.

In support of this recommendation, the Chairman of the Commission on Organization of the Executive Branch of the Government testified at a hearing by this committee on June 30, 1949, that the seven reorganization plans of 1949 "are all steps on the road to better organization of the administrative branch * * *." With specific reference to plan No. 4 he indicated that it—

conforms to the Commission's recommendations and accomplishes the Commission's major purpose. Again, in this case some legislation is probably required to effect the Commission's further recommendations which included the elimination of statutory membership on these two councils.

Subsequently, Senator Smith asked about NSC formulating security policies, whereas NSRB works out administrative and other aspects of these policies, and whether the latter might not be eliminated to relieve the President. While Mr. Hoover agreed on the distinction made, he emphasized that—

these are practically Cabinet committees and I do not think they add to his burdens. (We recommended the creation of a special Secretary in the President's office who would coordinate the work of these different committees and see they carry on this work.)

SUPPORTING DATA IN TASK FORCE REPORT H ON FOREIGN AFFAIRS

The NSC has been attacked on the ground that its dominant military membership has taken over from the State Department, important phases of the control of the American foreign policy. The task force report finds this to be a potential rather than immediate danger. It emphasizes that an informed determination of what should be done in Germany and Korea, for example, must reflect the advice of both the military and State Departments.

NSC has only 11 full-time staff personnel, 3 officers and 8 clerical. It draws upon the existing departments for reports which are then

broadly circulated for policy discussion and determination. It also directs the Central Intelligence Agency which coordinates intelligence activities.

NSRB is quite different. By last September it was employing 200 full-time staff, and 95 consultants and w. o. c. employees. The task force report finds that NSRB has been somewhat isolated from the rest of the executive branch, and that it "has not been able to fulfill its role" of advising the President on mobilization problems.

DEVELOPMENT OF EXECUTIVE OFFICE OF PRESIDENT

Creation.—The present organization of the Executive Office of the President stems from the comprehensive 1937 Brownlow-Merriam-Gulick report. The President set up this Committee on Administrative Management to suggest "a comprehensive and balanced program for dealing with the overhead organization and management of the executive branch as it is established under the Constitution." The report of the committee states:

The White House staff: In this broad program of administrative reorganization the White House itself is involved. The President needs help. His immediate staff assistance is entirely inadequate. He should be given a small number of executive assistants who would be his direct aides in dealing with the managerial agencies and administrative departments of the Government. These assistants, probably not exceeding six in number, would be in addition to his present secretaries, who deal with the public, with the Congress, and with the press and the radio. * * *

This recommendation arises from the growing complexity and magnitude of the work of the President's office. Special assistance is needed to insure that all matters coming to the attention of the President have been examined from the over-all managerial point of view, as well as from all standpoints that would bear on policy and operation * * *.

The three managerial agencies, the Civil Service Administration, the Bureau of the Budget, and the National Resources Board should be part and parcel of the Executive Office. Thus the President would have reporting to him directly the three managerial institutions whose work and activities would affect all of the administrative departments (pp. 5-6).

Planning management: In addition to the means already indicated as desirable for fiscal and personnel management it is essential that machinery for over-all planning management be provided for the use of the Executive * * *.

To help manage many scattered and important agencies: It is recommended that a permanent National Resources Board be set up to replace the present temporary committee created by Executive order. This committee was first set up by the Public Works Administrator in 1933, and later was established by Executive order as the National Resources Board. It was then directed "to prepare and present to the President a program and plan of procedure dealing with the physical, social, governmental, and economic aspects of public policies for the development and use of land, water, and other national resources, and such related subjects as may from time to time be referred to it by the President" (p. 27).

The first function of such an agency is to serve as a clearinghouse of planning interests and concerns in the national effort to prevent waste and improve our national living standards. Another is to cooperate with departmental, State, and local agencies * * *.

Another function is that of collecting and analyzing data relating to our national resources, both human and physical, and of shaping up advisory plans for the better use of these resources * * *. Unless some overhead central agency takes an over-all view from time to time, analyzes facts, and suggests plans to insure the preservation of the equilibrium upon which our American democracy rests, there is danger that it will be badly upset * * * (pp. 27-28).

SUBSEQUENT AND PROPOSED DEVELOPMENTS IN PRESIDENT'S OFFICE

By 1939 statute the National Resources Planning Board (NRPB) was established in the Executive Office. Under Reorganization Plan No. 1 of 1939 there was merged with that Board the functions and personnel of the National Resources Committee and the Federal Employment Stabilization Office in the Department of Commerce. After various intervening changes an act of 1943 abolished the NRPB.

Under Reorganization Plan No. 1 of 1939, the Bureau of the Budget was also transferred from the Treasury to the Executive Office of the President where it has expanded markedly in personnel and work. To bring conformance with other changes in nomenclature, the Hoover Commission now recommends that this agency become the Office of the Budget in the President's office.

In 1939, also, one of the administrative assistants to the President was assigned as liaison officer of personnel management to assist in the preparation of legislation dealing with personnel, and to maintain close contact with the departments and agencies on their personnel-management policies. Presumably that assignment will be modified, if, as the Hoover Commission recommends, the President's office is expanded by an Office of Personnel, the director of which is to be the Chairman of the Civil Service Commission.

In 1946 the Council of Economic Advisers was created by statute to study and report on national economic developments and trends. The Council consists of three members appointed by the President with the consent of the Senate. Hoover Commission Report No. 1 on General Management proposes that the Council be now replaced by a single-headed Office of the Economic Adviser.

In 1947, the National Security Act created both the National Security Council and the National Security Resources Board. As indicated above, the Hoover Commission recommends that they become "formally, as well as in practice, a part of the President's office."

The following comparison covers the numerous changes in the Executive Office recommended in Hoover Commission reports:

MAKE-UP OF THE EXISTING EXECUTIVE OFFICE OF THE PRESIDENT	PROPOSED PRESIDENT'S OFFICE ON BASIS OF HOOVER REPORTS
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- | | |
|--|--|
| <ol style="list-style-type: none"> 1. The White House office, including administrative assistants. 2. Council of Economic Advisers. 3. Bureau of the Budget. 4. Liaison Office for Personnel Management (an administrative assistant). | <ol style="list-style-type: none"> 1. The White House office, including administrative assistants, and staff secretary to "facilitate teamwork" with interdepartmental committees, etc. 2. Office of the Economic Adviser. 3. Office of the Budget. 4. Office of Personnel. 5. National Security Council, including Central Intelligence Agency. 6. National Security Resources Board. 7. Board of Impartial Analysis for Engineering and Architectural projects. 8. Office of General Services. |
|--|--|

Instead of simply adding new agencies to the President's office, there should be a general policy to govern its best internal organization. Such a policy might prescribe primary agencies to control broad areas of personnel, finance, planning, and housekeeping, all activities then to be grouped under those three categories.

PENDING LEGISLATION

S. 942, the proposed General Executive Management Act, 1949, specifically includes the National Security Council and the National Security Resources Board as constituent units of the Executive Office of the President. It also establishes an executive secretary of the Council, and a Chairman of the Board who is to be appointed by the President alone; both of these officials are to have their salaries specified in this statute. This general bill has not been reported by the Committee on Expenditures in the Executive Departments pending legislative developments in related fields.

S. 1843, to amend the National Security Act of 1947, among its proposals for unification of the military forces, provides the substantive legislation which is required to change the statutory membership of the NSC. As proposed in the President's message to the Congress on March 5, 1949, S. 1843 would make the Secretary of Defense the sole representative of the National Military Establishment on the NSC. The bill provides for the addition of the Vice President as a member, along with such other officials of the Executive branch as the President, by and with the consent of the Senate, may appoint from time to time to serve at his pleasure. The bill is now in final process of enactment.



REORGANIZATION PLAN NO. 5 OF 1949—UNITED STATES
CIVIL SERVICE COMMISSION

August 4 (legislative day June 2), 1949.—Ordered to be printed

Mr. McCLELLAN, from the Committee on Expenditures in the
Executive Departments, submitted the following

R E P O R T

On June 20, 1949, the President of the United States transmitted to the Congress Reorganization Plan No. 5 of 1949, prepared in accordance with the provisions of the Reorganization Act of 1949. While not required to do so under the provisions of the Reorganization Act of 1949, this committee is reporting favorably on the plan in order that the record may be clear and the Senate may be cognizant of the inspection and consideration of the plan by the committee.

PURPOSE

This plan places the Chairman of the Civil Service Commission (CSC), and the Executive Director appointed by him under civil service rules, in charge of day-to-day administrative activities, including application of all rules and regulations. It reserves to the full Commission deliberative regulatory and appellate functions, such as promulgating rules and regulations. This division of responsibilities is in accord with Hoover Commission recommendations.

A press release transmitting the plan emphasizes the Government-wide importance of civil service administration. It discusses the history and development of the CSC, established as a bipartisan three-membered body in 1933 to recruit personnel for a total of only 110,000 Federal employees. Now its work is vastly different, reflecting both the changes in Government and the expanding techniques of personnel management.

The plan leaves to the full CSC final authority to formulate rules and regulations, act on appeals, administer political-activity statutes, make investigations, and recommend improvements to the President. The Commission is to appoint all direct assistants, and to approve appointments of regional directors and of heads of administrative units on recommendation of the Chairman. The plan concentrates operating responsibility and accountability in the Chairman who appoints and directs the staff and administers CSC affairs.

In his message transmitting recommendations on the initial program of reorganization of the executive branch which accompanied the submission of the plan, the President stated that "Reorganization Plan No. 5 of 1949 improves the reorganization of the Civil Service Commission by making the Chairman responsible for the operation of civil-service programs within regulations made by the Commission. This will free the Commission as a body to concentrate upon matters of basic policy and on the determination of appeals." He further commented that "The modification of the Civil Service Commission here proposed is designed to create a modern organization to meet today's problems—an organization which safeguards the merit principles of the civil service and at the same time makes possible the exercise of responsible, unified leadership in the administrative operations of the civil-service system."

HOOVER COMMISSION REPORTS ON PERSONNEL MANAGEMENT, AND GENERAL MANAGEMENT

The Hoover Commission Report on Personnel Management contains 29 numbered recommendations. Of these, the two following recommendations are developed in the above reorganization plan:

RECOMMENDATION NO. 1

The Civil Service Commission should (a) "place primary emphasis on staff functions, rather than upon processing a multitude of personnel transactions," and (b) "should be reorganized to vest in its Chairman the responsibility for the administrative direction of its work." * * *

RECOMMENDATION NO. 26

Full responsibility for the administrative direction of the work of the Civil Service Commission should be vested in the Chairman of the Commission.

(This recommendation is supported by the following text: "The Chairman of the Commission should serve in the President's office in a coordinate capacity with such officials as the Director of the Office of the Budget * * *. The 'full Commission' should be responsible for making recommendations to the President about civil-service rules and for the issuance of regulations and standards. It should take whatever steps may be necessary to insure compliance with rules, regulations, and standards, and should act as an appellate body in connection with the appeal functions vested in the Commission.")

The Hoover Commission Report on General Management proposes in recommendation No. 1 that there shall be added, among others to the Executive Office of the President, "an Office of Personnel, headed by a Director who should also be Chairman of the Civil Service Commission." This reorganization plan makes no mention of this recommendation, although Reorganization Plan No. 4 adds the National Security Council and the National Security Resources Board to the Executive Office of the President.

The Honorable Herbert Hoover in testifying before the committee stated, "I wish to say at once that the seven plans are all steps on the road to better organization of the administrative branch. They are, insofar as they go, substantially in accord with the recommendations of the Commission on Organization of the Executive Branch of the Government." In his specific comments regarding plan No. 5, he pointed out that the plan is a very limited step, but emphasized that it does centralize more administrative authority in the Chairman and is "a very useful and helpful step in civil service." He further com-

mented that "the reorganization of the personnel of the Government requires extensive and searching legislation. The President's powers can hardly make a dent into this question. A bill for these purposes is before the Congress."

PENDING LEGISLATIVE ACTION

The President, in his message to Congress, stated that this step of internal adjustment of the organization of the Civil Service Commission was submitted to accomplish the benefits envisioned in the report of the Commission on Organization of the Executive Branch of the Government, and that it should be followed by revisions in basic personnel legislation. In line with this suggested program, the following legislation has been introduced and considered in the Senate:

S. 2111, revising Federal personnel policy, was introduced on June 21, 1949, and referred to the Senate Committee on Post Office and Civil Service, where hearings have been completed, but no action has been taken as of this date with reference to reporting the bill.

H. R. 1689 (S. 498), increasing executive salaries in accordance with the recommendations of the Hoover Commission, was reported favorably by the Senate Committee on Post Office and Civil Service on August 3, 1949.

S. 1762, Pay Reclassification Act of 1949, is also in conformity with recommendations of the Commission on Organization of the Executive Branch, and was reported favorably by the Senate Committee on Post Office and Civil Service on August 3, 1949.

The Chairman of the United States Civil Service Commission submitted to the Senate Committee on Expenditures in the Executive Departments a report commenting on the recommendations of the Hoover Commission as they affected the CSC, which was inserted in the Congressional Record under date of July 26, 1949 (pp. 10382-86), in which he gave full endorsement to Reorganization Plan No. 5, and expressed complete agreement with "the objective of achieving in the Federal Government a civilian career service which attracts and holds men and women of the highest intelligence, and whose devotion to duty and whose competence is commensurate with the needs of our Government."

While Reorganization Plan No. 5 of 1949 is, as former President Hoover has stated, "a very limited step," from information submitted to the committee it appears that the great majority of the Hoover Commission recommendations dealing with the reorganization of the civil service system in its report on personnel management will require substantive legislation. Therefore, the committee has reported the plan favorably, and recommends that it be approved by the Senate as being constructive action toward reorganization and modernization of the Federal civil service system.

REORGANIZATION PLAN NO. 6 OF 1949—DESIGNATED TO STRENGTHEN THE ADMINISTRATION OF THE UNITED STATES MARITIME COMMISSION BY MAKING THE CHAIRMAN THE EXECUTIVE AND ADMINISTRATIVE OFFICER OF THE COMMISSION AND VESTING IN HIM RESPONSIBILITY FOR THE APPOINTMENT OF ITS PERSONNEL AND THE SUPERVISION AND DIRECTION OF THEIR ACTIVITIES

AUGUST 4 (legislative day, JUNE 2), 1949.—Ordered to be printed

Mr. McCLELLAN, from the Committee on Expenditures in the Executive Departments, submitted the following

REPORT

On June 20, 1949, the President of the United States transmitted to the Congress Reorganization Plan No. 6 of 1949, prepared in accordance with the provisions of the Reorganization Act of 1949. While not required to do so under the provisions of the Reorganization Act of 1949, this committee is reporting the plan favorably in order that the record may be clear and the Senate may be cognizant of the inspection and consideration of the plan by the committee.

PURPOSE

The three major objectives of the plan are as follows:

1. Designates the Chairman of the Commission as the chief executive and administrative officer.
2. Transfers to the Chairman the functions of the Commission relating to (a) appointment and supervision of personnel; (b) distribution of business and organizational units of the Commission; and (c) the use, expenditure, and control of funds for administrative purposes (with limitations that the individual Commissioners shall select the employees who were under their immediate jurisdiction, and that the Administrator will consult with other Commissioners before appointing heads of principal operating units).
3. Authorizes the Chairman to delegate authority to subordinates.

HOOVER COMMISSION RECOMMENDATIONS

A comparison of the plan with the recommendations contained in the Hoover Commission report on regulatory commissions indicates

that this reorganization plan conforms with Recommendation No. 1, which states as follows:

We recommend that all administrative responsibility be vested in the Chairman of the Commission.

This plan also implements Recommendation No. 6, which relates to the "delegation of authority." The Hoover Commission recommends that the statutes be amended so as to permit the Chairman of the Maritime Commission to delegate routine, preliminary, and less important work to members of the staff under his supervision.

The Commission further recommended that—

the functions of ship construction and the operation, charter, and sales of ships should be transferred to the Department of Commerce.

The Brookings Institution, which prepared a report on transportation, recommended that most of the functions of the Maritime Commission be transferred to the proposed Department of Transportation, and that the remaining functions (primarily regulatory) be transferred to the Interstate Commerce Commission. These recommendations are not included in this plan.

MANAGEMENT SURVEY OF THE UNITED STATES MARITIME COMMISSION

The management survey made by the staff of the Committee on Expenditures in the Executive Departments during the summer of 1948, recommended that:

1. An independent Commission be established to discharge those quasi judicial and regulatory functions which are presently discharged by the Maritime Commission.
2. That all functions presently charged to the Maritime Commission should be the responsibility of one executive who would have complete authority and responsibility within the limits of legislative authority.
3. That complete authority should be delegated to the level where the responsibility lies.

The plan is in general conformity with this program. As a result of this committee's recommendations, a general manager was appointed by the Maritime Commission in August 1948, which has resulted in improvement in administration, but there is still considerable conflict over authority of the various Commissioners which this plan attempts to eliminate.

PENDING LEGISLATION

Recommendations No. 1 and 3 of the Hoover Commission, in its report on regulatory commissions, provided that all administrative authority should be vested in the Chairman, and that the statutes be amended to provide that a commissioner, upon the expiration of his term, continue to hold office until his successor is appointed and qualified. To effectuate these two recommendations, the chairman of the Committee on Expenditures in the Executive Departments introduced a bill (S. 2073, superseded in part by S. 2330, introduced by the chairman of the Senate Committee on Interstate and Foreign Commerce). Approval of Reorganization Plan No. 6 will carry out recommendation No. 1; and passage of S. 2073 (or S. 2330) would fully effectuate recommendations 1, 3, and 6 in the Hoover Commission report on regulatory commissions as they apply to the United States Maritime Commission.

Other recommendations of the Hoover Commission can also be placed into effect by administrative action under plan No. 6, or by other legislative action on bills now pending before the Congress. The recommendation, that—

The functions of ship construction and operation, charter, and sale of ships, should be transferred to the Department of Commerce—

has not to date been incorporated in any of the organization plans or legislation submitted to the Congress.

COMMENTS FROM THE AGENCY

In response to a request from the chairman of the Senate Committee on Expenditures in the Executive Departments the Maritime Commission recently submitted a report and comments on the Hoover Commission recommendations as they relate to that agency. The Commission opposed splitting the regulatory functions (as suggested in recommendation No. 9) from the other functions, and transfer of the latter to the Department of Commerce. The complete text of the Maritime Commission's letter may be found on page 9362 of the Congressional Record dated July 11, 1949.

While this plan substantially conforms to the recommendations of the Commission on Organization of the Executive Branch of the Government, the committee is of the opinion that it is not as extensive as was anticipated. When former President Herbert Hoover appeared before the committee on June 30, 1949, he approved the plan, commenting that—

The President's Plan No. 6 proposes to reorganize and centralize the authority over business operations of the Commission in the Chairman. Such a step of centralization of authority is vitally needed. The Commission, however, recommended that a large part of these functions should be transferred to the Department of Commerce as part of a major purpose—collection of transportation agencies from many parts of the Government into that Department.

Even though this plan does not go far enough to bring about substantial improvement and does not completely conform to the recommendations of the Hoover Commission, the committee believed that it will materially facilitate the orderly disposition of routine business and free the Commission from formal deliberation over administrative minutiae.



81ST CONGRESS
1ST SESSION

S. RES. 155

IN THE SENATE OF THE UNITED STATES

AUGUST 15 (legislative day, JUNE 2), 1949

Mr. HAYDEN submitted the following resolution; which was referred to the Committee on Expenditures in the Executive Departments

RESOLUTION

Whereas Reorganization Plan Numbered 7 of 1949, transmitted to Congress on June 20, 1949, provided for the transfer of the Public Roads Administration to the Department of Commerce; and

Whereas there was subsequently enacted the Federal Property and Administrative Services Act of 1949 (Public Law 152), approved June 30, 1949, which abolished the Federal Works Agency and transferred all of its functions to the Administrator of General Services, and which changed the name of the Public Roads Administration to the Bureau of Public Roads and transferred all of its functions to the Administrator of General Services; and

Whereas Reorganization Plan Numbered 7 thus purports to affect agencies which do not in fact exist; and

Whereas section 9 (a) (1) of the Reorganization Act of 1949 (Public Law 109) provides, in substance, that any statute

enacted in respect of any agency or function affected by a reorganization plan, before the effective date of such reorganization, shall have the same effect as if such reorganization had not been made; and

Whereas all doubt should be removed as to whether the above-cited statute has made such reorganization plan ineffective: Now, therefore, be it

- 1 *Resolved*, That the Senate does not favor the Reorgan-
- 2 ization Plan Numbered 7 transmitted to Congress by the
- 3 President on June 20, 1949.

81ST CONGRESS
1ST Session

S. RES. 155

RESOLUTION

Disapproving Reorganization Plan Numbered 7
of 1949.

By Mr. HAYDEN

August 15 (legislative day, June 2), 1949
Referred to the Committee on Expenditures in the
Executive Departments

original bill, and I submit a report (No. 924) thereon.

The VICE PRESIDENT. The report will be received and the bill will be placed on the calendar.

The bill (S. 2441) to amend section 81 of the National Defense Act, as amended, to provide for additional officers of the National Guard of the United States on active duty in the National Guard Bureau, was read twice by its title and ordered to be placed on the calendar.

ANTHROPOLOGICAL RESEARCHES ON AMERICAN INDIANS—REPORT OF A COMMITTEE

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration, I report favorably, without amendment, the bill (H. R. 3417) to amend the act entitled "An act to provide for cooperation by the Smithsonian Institution with State, educational, and scientific organizations in the United States for continuing ethnological researches on the American Indians," approved April 10, 1928, and for other purposes, and I submit a report (No. 893) thereon. I ask unanimous consent for the immediate consideration of the bill.

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

INVESTIGATION OF FIELD OF LABOR-MANAGEMENT RELATIONS—REPORT OF A COMMITTEE

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration I report favorably, with an amendment, Senate Resolution 140, and I submit a report (No. 894) thereon. I ask unanimous consent for the immediate consideration of the resolution.

The VICE PRESIDENT. The resolution will be read for the information of the Senate.

The resolution, submitted by Mr. MURRAY (for himself and other Senators) on July 22, 1949, and referred to the Committee on Labor and Public Welfare, and subsequently to the Committee on Rules and Administration, was read, as follows:

Resolved, That the Committee on Labor and Public Welfare, or any duly authorized subcommittee thereof, is authorized and directed to conduct a thorough study and investigation of the entire field of labor-management relations, including but not limited to—

(A) the means by which cooperation between employers and employees and stability of labor relations may be secured;

(B) the methods and procedures for best carrying out the collective bargaining processes;

(C) the administration and cooperation of existing Federal laws relating to labor relations; and

(D) such other problems and subjects in the field of labor-management relations as the committee deems appropriate. The committee shall report to the Senate not later than January 15, 1950, the results of its study and investigation, and such other recommendations from time to time as it may deem advisable, and shall make its final report under this resolution not later than December 31, 1950.

SEC. 2. For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to employ upon a temporary basis such technical, clerical, and other assistance as it deems advisable. The expenses of the committee under

this resolution, which shall not exceed \$25,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The VICE PRESIDENT. The committee amendment will be stated.

The LEGISLATIVE CLERK. On page 1, line 5, after the word "directed" it is proposed to insert "during the Eighty-first Congress."

The amendment was agreed to.

The resolution, as amended, was agreed to.

AMENDMENT OF PUBLIC HEALTH SERVICE ACT—REPORT OF A COMMITTEE

Mr. HILL. Mr. President, from the Committee on Labor and Public Welfare, I report favorably, with amendments, the bill (S. 522) to amend the Public Health Service Act to authorize assistance to States and political subdivisions in the development and maintenance of local public health units, and for other purposes, and I submit a report (No. 925) thereon. I ask unanimous consent that the Senator from Utah [Mr. THOMAS], the Senator from Montana [Mr. MURRAY], the Senator from West Virginia [Mr. NEELY], the Senator from Kentucky [Mr. WITHERS], the Senator from Ohio [Mr. TAFT], the Senator from Oregon [Mr. MORSE], the Senator from Missouri [Mr. DONNELL] and the Senator from North Carolina [Mr. GRAHAM] be added as cosponsors of the bill.

The VICE PRESIDENT. The report will be received and the bill will be placed on the calendar, and, without objection, the names of the Senators suggested by the Senator from Alabama will be added as cosponsors of the bill.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations was submitted:

By Mr. JOHNSON of Colorado, from the Committee on Interstate and Foreign Commerce:

William H. E. Schroeder, of the United States Coast Guard Reserve, to be lieutenant (junior grade) in the United States Coast Guard.

By Mr. McCARRAN, from the Committee on the Judiciary:

Alphonse Roy, of New Hampshire, to be United States marshal for the district of New Hampshire.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MARTIN:

S. 2431. A bill for the relief of Sumiko Kato; to the Committee on the Judiciary.

(Mr. YOUNG (for himself and Mr. GILLETTE) introduced Senate bill 2432, to amend the Federal Food, Drug, and Cosmetic Act by requiring a minimum fat content for bread, which was referred to the Committee on Interstate and Foreign Commerce, and appears under a separate heading.)

By Mr. WILEY (by request):

S. 2433. A bill to increase the fee for appeal to the Board of Appeals in the Patent Office; to the Committee on the Judiciary.

By Mr. ECTON:

S. 2434. A bill authorizing the Secretary of the Interior to issue a patent in fee to Mrs. Lucy Knows Gun; to the Committee on Interior and Insular Affairs.

By Mr. JOHNSON of Colorado:

S. 2435. A bill to amend the Civil Aeronautics Act of 1938 with respect to the regulation of domestic air transportation;

S. 2436. A bill to amend the act entitled "An act to authorize the construction, protection, operation, and maintenance of public airports in the Territory of Alaska";

S. 2437. A bill to amend the Civil Aeronautics Act of 1938, as amended, to provide for the separation of subsidies from air-mail pay, and for other purposes; and

S. 2438 (by request). A bill to amend the Civil Aeronautics Act of 1938, as amended, to provide for the regulation of interstate contract carriers by air, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. TYDINGS:

S. 2439. A bill to clarify the status of inactive members of the Naval Reserve relating to the holding of offices of trust or profit under the Government of the United States; to the Committee on Armed Services.

(Mr. TYDINGS (from the Committee on Armed Services) reported an original bill (S. 2440) to authorize certain construction at military and naval installations, and for others purposes, which was ordered to be placed on the calendar, and appears under a separate heading.)

(Mr. HUNT (from the Committee on Armed Services) reported an original bill (S. 2441) to amend section 81 of the National Defense Act, as amended, to provide for additional officers of the National Guard of the United States on active duty in the National Guard Bureau, which was ordered to be placed on the calendar, and appears under a separate heading.)

By Mr. LUCAS:

S. 2442. A bill for the relief of Yone T. Park; to the Committee on the Judiciary.

By Mr. McCLELLAN:

S. J. Res. 127. Joint resolution to clarify the status of the Architect of the Capitol under the Federal Property and Administrative Services Act of 1949; to the Committee on Expenditures in the Executive Departments.

MINIMUM FAT CONTENT FOR BREAD

Mr. YOUNG. Mr. President, I introduce for appropriate reference a bill to amend the Federal Food, Drug, and Cosmetic Act by requiring a minimum fat content for bread.

There has been a great deal of evidence taken by the Subcommittee on Utilization of Farm Crops, established pursuant to Senate Resolution No. 36 as a subcommittee of the Senate Agriculture Committee, on the subject of the use of chemicals in the baking industry as a substitute for natural fats and oils, the disastrous effect of such practice on the producers of natural fats and oils and the deleterious effect upon the consumers.

Witnesses have told the committee that lard and vegetable shortening are facing a serious threat from the so-called chemical emulsifiers or bread softeners which are beginning to be used in volume in the baking industry. These witnesses claim that with the use of one pound of chemical with a fatty base made from petroleum they can replace six pounds of fats and oils by adding 5 pounds of water to their pound of chemical.

Witnesses have also told the committee that the over-all results of the constant ingestion of these chemicals into the human system is going to ultimately break down the health of our people.

While the hearings will continue and a report thereon filed, the chairman, Mr. GILLETTE, and I, feel that this matter should be forcefully brought to the attention of the American people for their consideration. The legislation would require a minimum content of 4 percent natural fat in bakery products.

The bill (S. 2432) to amend the Federal Food, Drug, and Cosmetic Act by requiring a minimum fat content for bread, introduced by Mr. YOUNG (for himself and Mr. GILLETTE), was read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

REORGANIZATION PLAN NO. 7 OF 1949

Mr. HAYDEN. Mr. President, I submit for appropriate reference a resolution relating to Reorganization Plan No. 7, and ask unanimous consent that following it, there be printed in the RECORD a memorandum from Mr. Charles F. Boots, of the Senate legislative counsel.

The VICE PRESIDENT. The resolution will be received, and printed, and, without objection, the memorandum will be printed in the RECORD.

The resolution (S. Res. 155) was referred to the Committee on Expenditures in the Executive Departments, as follows:

Whereas Reorganization Plan No. 7 of 1949, transmitted to Congress on June 20, 1949, provided for the transfer of the Public Roads Administration to the Department of Commerce; and

Whereas there was subsequently enacted the Federal Property and Administrative Services Act of 1949 (Public Law 152), approved June 30, 1949, which abolished the Federal Works Agency and transferred all of its functions to the Administrator of General Services, and which changed the name of the Public Roads Administration to the Bureau of Public Roads and transferred all of its functions to the Administrator of General Services; and

Whereas Reorganization Plan No. 7 thus purports to affect agencies which do not in fact exist; and

Whereas section 9 (a) (1) of the Reorganization Act of 1949 (Public Law 109) provides, in substance, that any statute enacted in respect of any agency or function affected by a reorganization plan, before the effective date of such reorganization, shall have the same effect as if such reorganization had not been made; and

Whereas all doubt should be removed as to whether the above cited statute has made such reorganization plan ineffective: Now, therefore, be it

Resolved, That the Senate does not favor the Reorganization Plan No. 7 transmitted to Congress by the President on June 20, 1949.

The memorandum presented by Mr. HAYDEN is as follows:

OFFICE OF THE LEGISLATIVE COUNSEL,
UNITED STATES SENATE.

REORGANIZATION PLAN NO. 7 OF 1949 MEMORANDUM FOR SENATOR HAYDEN

This is in reply to your request for our opinion with respect to the effectiveness of Reorganization Plan No. 7 of 1949, transmitted to the Congress on June 20, 1949.

The substantive provisions of Reorganization Plan No. 7 relate to the transfer of the Public Roads Administration and read as follows:

"SECTION 1. Transfer of Public Roads Administration: The Public Roads Administration, together with its functions, including the functions of the Commissioner of Public Roads, is hereby transferred to the Depart-

ment of Commerce and shall be administered by the Commissioner of Public Roads subject to the direction and control of the Secretary of Commerce.

"Sec. 2. Transfer of certain functions of Federal Works Administrator: All functions of the Federal Works Administrator with respect to the agency and functions transferred by the provisions of section 1 hereof are hereby transferred to the Secretary of Commerce and shall be performed by the Secretary or, subject to his direction and control, by such officers, employees, and agencies of the Department of Commerce as the Secretary shall designate."

Subsequent to the transmittal to Congress of Reorganization Plan No. 7 the Federal Property and Administrative Services Act of 1949 (Public Law 152) was approved by the President on June 30, 1949. This act, among other things, abolished the Federal Works Agency and the office of Federal Works Administrator and transferred all the functions thereof to the Administrator of General Services, created by the act; and also transferred to the General Services Administration the Public Roads Administration and provided that it should hereafter be known as the Bureau of Public Roads.

It will thus be seen that Reorganization Plan No. 7 seeks to transfer from a non-existent agency (the Federal Works Agency) another nonexistent agency (the Public Roads Administration); and, as noted above, in the case of the Federal Works Agency, the nonexistence results not merely from a change in name but from statutory abolition of the Agency.

I suppose it could be argued that despite the intervening circumstances it was the ultimate purpose of Reorganization Plan No. 7 to transfer the agency in question, by whatever name called, to the Department of Commerce, and that this purpose should be given effect. And perhaps anticipating the unsatisfactory status of the reorganization plan in the light of the then pending Federal Property and Administrative Services Act of 1949, section 4 of the reorganization plan provides as follows:

"Sec. 4. Effect of reorganization plan: The provisions of this reorganization plan shall become effective notwithstanding the status of the Public Roads Administration within the Federal Works Agency or within any other agency immediately prior to the effective date of this reorganization plan."

It appears to me that in everyday language this section is attempting to say that the reorganization plan will be given effect no matter what the status of the then Public Roads Administration may be immediately prior to the effective date of the reorganization plan. If this be the effect of section 4 of the plan, and I see no other reason for the inclusion therein of the section, I doubt if it accomplishes the purpose, even assuming that Congress should allow the 60-day period to expire without taking any action with respect to Reorganization Plan No. 7. In this connection attention is called to section 9 (a) (1) of the Reorganization Act of 1949, which reads as follows:

"(1) Any statute enacted, and any regulation or other action made, prescribed, issued, granted, or performed in respect of or by any agency or function affected by a reorganization under the provisions of this act, before the effective date of such reorganization, shall, except to the extent rescinded, modified, superseded, or made inapplicable by or under authority of law or by the abolition of a function, have the same effect as if such reorganization had not been made; but where any such statute, regulation, or other action has vested the functions in the agency from which it is removed under the plan, such function shall, insofar as it is to be exercised after the plan becomes effective, be considered as vested in the agency under which the function is placed by the plan."

While this provision is hedged about by a great deal of verbiage it would appear that it was designed to anticipate the case where, following the submission of a reorganization plan, Congress acted with respect to the agency or function affected in a manner inconsistent with the plan, and to make certain that in that situation the statute would have the same effect as if the reorganization had not been made. There is one qualification to that general statement, however, which is found in the matter following the semicolon in the provision quoted. It states in substance that where the statute has vested the function in the agency from which it is removed under the plan such function shall, insofar as it is to be exercised after the plan becomes effective, be considered as vested in the agency under which the function is placed by the plan. Obviously this has no application to Reorganization Plan No. 7 because the statute (Public Law 152) did not vest the function in the agency from which it is removed under the plan.

From the foregoing it is my opinion that Reorganization Plan No. 7 will not take effect upon the expiration of 60 days following its submission. It is further my opinion that in any event, in the extremely confused situation, clarifying action should be taken either by the Congress or by the Executive.

Respectfully,

CHARLES F. BOOTS,
Assistant Counsel.

AUGUST 11, 1949.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles, and referred as indicated:

H. R. 5342. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment to the Boy Scouts of America for use at the Second National Jamboree of the Boy Scouts; to the Committee on Armed Services.

H. R. 5526. An act to authorize the President to provide for the performance of certain functions of the President by other officers of the Government, and for other purposes; to the Committee on Expenditures in the Executive Departments.

COSTS OF FEDERAL RECLAMATION PROJECTS—AMENDMENT

Mr. O'MAHONEY submitted an amendment intended to be proposed by him to the bill (H. R. 1694) to provide for the return of rehabilitation and betterment of costs of Federal reclamation projects, which was ordered to lie on the table and to be printed.

AMENDMENT OF FAIR LABOR STANDARDS ACT—AMENDMENT

Mr. STENNIS (for himself, Mr. FULBRIGHT, Mr. MAYBANK, Mr. EASTLAND, Mr. MCKELLAR, Mr. JOHNSTON of South Carolina, Mr. YOUNG, Mr. MCCLELLAN, and Mr. WHERRY) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 653) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, which was ordered to lie on the table and to be printed.

INTERIOR DEPARTMENT APPROPRIATIONS—AMENDMENTS

Mr. JOHNSON of Colorado submitted an amendment intended to be proposed by him to the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes, which

Justice Murphy was a man who served his country well. He was a fighter for justice, a man who had a deep and abiding hatred for wrong and oppression, and a man of remarkable tolerance and wisdom.

All of those unusual talents he gave to the service of his country, for a rather meager salary, as you can tell from the report of the estate he left.

He could have made far larger sums by offering his great talent and ability to some private legal firm or some big corporation.

Lots of other gifted men have done that very thing. But Justice Murphy was not built that way. He preferred to serve where he thought his services would do the most good—without considering the financial returns involved.

There are undoubtedly a lot of \$100,000-a-year Wall Street corporation lawyers who will sneer at Justice Murphy as a "chump" for doing what he did, instead of "making his pile" like the rest of their gang.

But the common people of America won't feel that way. The Leader is certain that the people, like this newspaper, will salute the late Justice for his conduct. He leaves something behind him in the world besides money—the admiration and respect and gratitude of his Nation.

And you can't buy that with any sum of money.

THE HAWAIIAN STRIKE SITUATION— LETTER FROM MANUEL R. GOEAS AND EDITORIAL FROM DEMILLE FOUNDATION BULLETIN

Mr. BUTLER. Mr. President, I seldom present for the RECORD letters I have received, but I am doing so now for I think this one is of special interest and value. It comes from a man who was born in Hawaii, has lived and worked there till now he has reached the age of retirement, and writes me in some detail of his views of conditions in Hawaii. His father came from Portugal to Hawaii and like so many from that country, he became an American citizen. His son, who wrote this letter, appears to appreciate the value of American citizenship. I think by reading his letter Members of Congress can better appreciate conditions prevailing in Hawaii.

I ask unanimous consent to have it printed in the body of the RECORD.

Mr. President, I also ask unanimous consent to have printed immediately following these brief remarks a short editorial appearing in the July issue of the DeMille Foundation Bulletin.

There being no objection, the letter and editorial were ordered to be printed in the RECORD, as follows:

HONOLULU, July 30, 1949.

Hon. Senator H. BUTLER,
Washington.

DEAR SIR: Greetings from isolated Hawaii. You have seen Hawaii, and you know the lay of the land.

You know that sugar and pineapples are the industries which make Hawaii. If these industries are wrecked by the unions, then Congress should give Hawaii to China, Japan, or Russia.

This stevedore strike is not a small incident. There is more than wages back of the union demand. This is a strike to gain more power for the few dictators—H. Bridges, J. Hall, Schmidt, and a few others. Our people are having a hard time trying to live on what they earn. Freight rates, as you know, are high, because the wages of seamen are high. I believe in unions, but I believe they are carrying things too far. I must admit there are two standards of pay in Hawaii. The stevedores are earning \$1.40 per hour. They

were offered 8, then 12, then 14 cents per hour; 8 times \$1.54 equals \$12.32 per day. Those men can surely live on this wage per day.

I worked for one of the so-called Big Five for 43 years, the American Factors. I retired at the age of 60. My salary was \$360 per month. My bonus averaged \$70 per month, or \$430 per month. I did cost accounting. I worked hard. I saved my money. I do not own an automobile. I own my home, but I had to give up a lot of pleasures, or, as most people call it, good times. I own stock or shares in the American Factors, Kekaha & Co., Olaa & Co., Waialua & Co., Halemano Co., Hawaiian Comm. & Co., Matson Navigation Co., and American President Lines. I own these because I worked and saved my money. I invested so that I could get some income in my old age. There are no Big Five families any more. The Big Five are shareholders like myself and other small people. Those so-called Big Five are just running the big business that is supporting us, the people. If Congress allows the unions to become very powerful, then what is to prevent John Lewis or Harry Bridges from marching on Washington and demanding more than Congress can give them without hurting the people in general.

When a business becomes a monopoly the Federal Government breaks it up. Why can't Congress pass laws that will permit unions to operate in the individual States and Territories, but deny them the right to amalgamate with unions in other States and make people other than those they are striking against suffer, or to bring other unions to increase pressure. These unions are more than monopolies; they are becoming international unions. We all know how much jealousy there is in this world, how some countries would like to bring on chaos in the United States. Many of our so-called Americans would like to help other countries wreck ours.

If the unions keep on demanding higher wages on the sugar plantations, I figure that the sugar and pineapple industries will be wrecked in from 10 to 15 years, then our people will not be able to make a living and the United States Government will lose millions in taxes.

It is true that stevedores on the west coast earn more money but they work less days than Hawaii's stevedores.

This stevedores' strike has forced many people to lose their jobs, about 30,000 people are out of work on that account. Wages have been cut and many small commission merchants have gone out of business.

I shall not attempt to write about communism. If there are Communists here they have come from continental United States.

This was God's country until the unions began demanding more and more money.

The union leaders are threatening to bring pressure on the west coast if they do not gain what they are after here.

What I believe will happen in 25 or 30 years is that a John Lewis or his successor or H. Bridges or his successor, will march on Washington, kick out the President, tell the Congressmen to go home, become a dictator, and punish the Congressmen who voted in favor of legislation against the unions.

Please do not consider this a joke, you Congressmen just give the union leaders more power and then you and I will be at their mercy.

Last year a friend traveled on a Portuguese steamer in the Atlantic near Portugal. The Portuguese captain said "In a few years there will not be many American ships sailing the ocean carrying on foreign cargo because they pay too high wages to the seamen."

Before the stevedores voted on the 14-cent wage increase, they told me they were going to vote against settlement because the leaders

told them to do so. What can you do with people who cannot use a little judgment? They voted against it even though their families were suffering.

Other men have been unloading the ships, and they are glad to earn \$1.40 per hour; they are glad to be given the opportunity to work.

May I inform you that many people have left Hawaii, and others will follow who will make their homes on the mainland United States.

I, too, am thinking seriously of selling out and going to the mainland, and possibly to Brazil for a while. I am retired and free to express my opinion on this matter, so please do not think I am influenced by anyone. Even when I was employed by one of the so-called Big 5 I was never afraid to say what I wanted.

I shall be pleased to hear that you will do all you can to curb the powers of the unions and business monopolies for the good of the people of America.

My father, an engineer, came here 66 years ago; he became a United States citizen; he helped build up this community; he and I did construction work. I too learned construction work and architecture. All this work was done many years ago. I managed the construction company while employed at American Factors. I speak French, Portuguese, Spanish, and some Italian. My father came from Portugal yet he put his heart and soul in America.

I believe Hawaii is not yet ready for statehood. Harry Bridges will be tried for perjury, and I believe the local employers were right in refusing to deal with him.

Something should be done to save Hawaii's economy. I cannot believe that you and the other Congressmen will permit the unions to paralyze and wreck what we have built.

May God bless you and aid and guide you in your work for the people of America.

Respectfully yours,

MANUEL R. GOEAS.

[From the DeMille Foundation Bulletin]

THE PATTERN TAKES SHAPE

May 11, 1948, Mr. deMille said to the House Labor Committee:

"Today, in those (Hawaiian) islands, the whole labor movement is controlled by one union. That same union controls shipping on the west coast. Its leader has lately united in one international union the sugar workers of the United States, Hawaii, Cuba, Puerto Rico, and the Dominican Republic. The policies of this union, in some respects at least, are sometimes hard to distinguish from those of the Communist Party line. The pattern takes shape. Control shipping, control raw materials, control men through control of their right to work, and you can soon control a nation."

June 28, 1949, the Honolulu Advertiser said:

"The people of Hawaii—450,000 loyal American citizens living in an organized Territory of the United States—are being held in bondage today by Harry Bridges' International Longshoremen's and Warehousemen's Union (CIO). This union is declared by Philip Murray, CIO president, United States Senator HUGH BUTLER, and many others to be Communist dominated. * * * Babies are short of canned milk, food supplies for adults lack many essential items; * * * 42 stores are completely out of stock, 19 have gone out of business. * * * Sugar mills have had to shut down. * * * More than 20,000 persons are jobless. * * * The people of Hawaii are in dire distress."

The DeMille Foundation does not attempt to decide whether Harry Bridges' strikers are entitled to a raise in wages or not. Even if their claim is just, no man or group of men should have power to blockade a half million Americans—or even one—in need of food.

PROGRAM OF THE COMMITTEE ON FINANCE

Mr. GEORGE. Mr. President, if I may be indulged for two or three minutes, I wish to make a statement.

The House Ways and Means Committee has not yet reported to the House the amendments to the Social Security Act. It is obvious that the social security bill could not reach the Senate until the latter part of this month, or perhaps the middle of next month. It will therefore be entirely out of the question to undertake to hold hearings on social security at this session, assuming that Congress will adjourn by the end of September.

The Finance Committee will begin hearings this week upon two important veterans' bills which have passed the House, and those hearings will be concluded. Thereafter it is the purpose of the Finance Committee, if the majority of the committee agree, not to open hearings on any other contested matter at this session of the Congress. It is perfectly obvious that if we continue to grind out wholesale legislation for the calendar we shall never reach a point where we can look for adjournment of this session of the Congress.

PROGRAM FOR CONSIDERATION OF REORGANIZATION PLANS NOS. 1 AND 2

Mr. LUCAS. Mr. President, I wish to advise the Senate with respect to the program for tomorrow. This is a mere reiteration of what I said last week. There may be some Senators present who were not present last week when I advised the Senate that tomorrow we expect to call up Senate Resolution 147, reported by the Senator from Arkansas [Mr. FULBRIGHT] and other Senators. It is a resolution disapproving Reorganization Plan No. 1 of 1949. Under the law, 10 hours of debate are permitted on that measure, but I am hoping that some time today we can reach some sort of an agreement whereby we can have a limitation of debate. If we cannot, we shall probably begin tomorrow's session at 11 o'clock and remain in session continuously for a period of 10 hours, with the possible exception of an hour for dinner tomorrow evening, so that we may complete consideration of Reorganization Plan No. 1.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. McCLELLAN. If we are able to reach some understanding with reference to limiting debate, and save some time, would the Senator then consider a unanimous-consent request that after all debate is concluded we take a recess and not have a vote until Wednesday afternoon, say at 12:15?

Mr. LUCAS. I cannot say that I will enter into that kind of an agreement at this time, Mr. President. We have for consideration both Reorganization Plan No. 1 and Reorganization Plan No. 2. I had hoped that we might conclude consideration of both of them tomorrow. If we cannot do that, we shall have to take them one at a time, Reorganization Plan No. 1 tomorrow, and Reorganization Plan No. 2 the next day. I cannot agree to

any unanimous-consent request of that kind at this time.

Mr. McCLELLAN. Mr. President, this is a matter of some importance. Senators would like to be recorded on this question one way or the other. Some have made arrangements to be away tomorrow. If the vote is taken tomorrow night, it is possible that one or two Senators will not be here, whereas they would be here if the vote were taken at 12 o'clock the next day. Out of deference to their situation, I feel that there would not actually be a loss of time greater than that involved in calling the roll.

Mr. LUCAS. That may be true with respect to two Senators; but every time we attempt to accommodate two Senators on a particular day, there are two other Senators who would like to be accommodated on the following day. We can never find a time when all Senators will be present. This situation arises every time we attempt to get a unanimous-consent agreement to vote upon a measure at a certain hour. There is always some Senator who comes to the majority leader and says, "Can you not postpone the vote, because Senator So-and-so is out of town on important business? If you can only put the vote off until tomorrow, he will be back." If we put it off until tomorrow, we find that another Senator has made arrangements to make a speech on that day, and he will be absent. So we can never find a time when it is possible to accommodate all Senators.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. TAFT. I wonder if possibly we could obtain an agreement. I think perhaps Senators on this side of the aisle who are interested in supporting the resolution would be agreeable to a 6-hour limitation of debate on Tuesday, and a vote on Wednesday. In that event we would not be forced into a night session.

Mr. LUCAS. Some Senators who want to vote on Tuesday will probably be absent on Wednesday.

Mr. TAFT. I know of none.

Mr. LUCAS. I know of one Senator on our side of the aisle who was discussing that very question with me before the session began today. The point I am trying to make is that we never can find a time which satisfies every Senator. If we agree to vote on Wednesday, we may preclude the vote of some Senator who is either favorable or unfavorable to the plan; and if we vote on Tuesday, we find the same situation. I thought I had given ample notice almost a week ago for all Senators to be here on Tuesday.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. McCLELLAN. The Senator did say that we would take up the resolution on Tuesday; but there being 10 hours' debate, no Senator had any notice at that time that we would drive through in a night session to a final vote.

Mr. LUCAS. I have read the RECORD, and the colloquy which I had with the able Senator from New York [Mr. Ives]

definitely indicates that if we could not get a limitation of time we would have a night session.

Mr. IVES. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. IVES. Realizing the situation as I do, I suggest to the able Senator from Illinois that he allow the debate on these two plans to proceed, one plan after the other, and then have the vote at the end of the debate on the two plans. That would adequately cover the debate, and allow the vote to be taken at a time when presumably absentees who are apparently going to be necessarily absent, will be present.

Mr. LUCAS. That is a suggestion which I will take under consideration.

INTERIOR DEPARTMENT APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 5, after line 9.

Mr. THOMAS of Oklahoma. Mr. President, I hope the Senate will not assume that I am going to take an undue length of time upon the pending amendment. There are three amendments to which I wish to address myself, namely, the one now pending, the one which will follow it, and the one which will follow the second amendment. I desire to discuss the three amendments together. I shall take only sufficient time to make clear the position of the committee.

I first call attention to some charts and maps which I have had placed on display in the front of the Chamber. The first is a map of the United States showing the number of Authorities that already are in existence, and others that are contemplated. In the northeastern section of the United States an Authority is contemplated, to be developed as soon as the St. Lawrence River improvement has been made.

In the south-central part of the United States we already have the Tennessee Valley Authority, located at the point I now indicate on the map east of the Mississippi River and south of the Ohio River. That already is in existence.

Then, east of the Mississippi River and south of the Ohio River, all that territory is proposed by the pending amendment to form the Southeastern Power Authority. It includes all the land east of the Mississippi River and all the land south of the Ohio River in the United States. If created, it will surround the Tennessee Valley Authority. So, if that Authority is created, covering the entire southeastern area of the United States, we shall have in the center of that Authority the TVA.

Mr. HILL. Mr. President, will the Senator yield at this point?

Mr. THOMAS of Oklahoma. I am glad to yield.

Mr. HILL. Is it not true that the Southeastern Power Authority, so-called, is entirely different from the TVA?

tend a Shasta Dam transmission line on the east side of the Central Valley.

Kinsey M. Robinson, president of Washington Water Power Co., opposed the Bonneville Power Administration Kerr-to-Anaconda, Mont., transmission line. The Senate committee cut it out.

D. C. McKee, president of the Empire District Electric Co. of Missouri, testified in particular " * * * in opposition to a \$10,000,000 expenditure out of the \$30,000,000 proposed to build the lines designated in the (Southwestern Power) Administrator's report as the Missouri group." So the Senate committee eliminated all Missouri group items.

Hamilton Moses, president of Arkansas Power & Light, gave the committee a table showing what the power companies in his area thought should be approved. The committee followed his recommendations except for two minor construction items of \$300,000.

Idaho Power Co. opposed Anderson Ranch switchyards and transmission line projects for \$631,000. Out they went.

Public Service Co. of Colorado opposed three transmission lines running into Valmont, Colo., to cost \$769,000. Out they went.

Montana Power Co. opposed the Havre-Shelby, Mont., substation and transmission line to cost \$1,300,000. Out they went.

Economy could not have been the objective of the deletions. The Department of Interior had asked for a total of \$625,000,000. The House approved \$536,000,000, including the cost of all the transmission lines and power facilities referred to by Mr. Edson. The Senate committee has raised this amount to \$590,000,000. Curiously, it is the appropriations for power development which were eliminated while the Senate committee was increasing the House appropriations.

The bill is a legislative anachronism. It seeks to turn back the clock to the good old days of private-power monopoly. But we cannot and will not turn back the clock. The people today understand and fully support the public-power policy. They know the many benefits of public power and they will not relinquish those benefits.

The people know that the public-power policy is sound business and good government. But the bill does not appropriate funds for the businesslike operation of the Government's power system. The bill would appropriate the people's power for the benefit of the private utilities.

It is sound business for the Government to sell its power to more than one distributor. If the Government does not build transmission lines, or if the agents representing the Government are not prepared if need be to build the lines, the Government is forced to sell its power to the one large private utility in the vicinity that can afford to build a line to the Government's dam. That utility will then have a monopoly. And it can dictate the price it will pay the Government and the price it will charge the people.

Mr. CORDON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Oregon?

Mr. HILL. I yield to the distinguished Senator from Oregon.

Mr. CORDON. The Senator from Oregon is very much interested in fol-

lowing the Senator's statement, but is somewhat confused as to how he has reached his conclusion that the type of contract which is the only one now in existence, and which is generally termed the "Texas Contract," could result in turning back the clock or in failing to give any preference which the law requires, or in anyway doing anything other than getting public power to the ultimate consumer, with the preferences intact, which the law requires. The Senator from Oregon would be helped greatly in his thinking if there were an explanation of the Senator's view in that regard.

Mr. HILL. The Senator has put his finger on the heart of the matter when he says the Texas Power & Light contract is the only one in existence in all the country. Of the many, many Government projects we have been building through the years, of the many private companies having systems all over the country, it is the sole and only contract up to this time which any private company in the United States has been willing to sign. It is the only single instance. On the other hand, we know that up until about 90 days ago private power companies were denouncing the contract. They said it was "criminal" to enter into the contract, and that the contract was iniquitous. We know their whole record of opposition to entering into any kind of contract such as that of the Texas Power & Light Co. We know their whole record of opposition to our public-power program. So I say to the Senator from Oregon, "Come and join hands. Let us go along with the House; let us provide the money to build these transmission lines." Then the agents of the Government can sit around a table armed with the funds, just as Mr. Wright, who negotiated the contract with the Texas Power & Light Co., was armed. He had the money in his hand, and the Texas Power & Light Co. knew that if they did not arrive at a fair and reasonable contract, Mr. Wright would build the lines. Let us arm our representatives, and, then, so far as I am concerned, I have no objection to our representatives sitting around the table and seeing if they can get fair and reasonable terms which will carry out the power policy laid down in the Flood Control Act of 1944. I hope my distinguished friend from Oregon will join me in this. I think by so doing we shall not only safeguard the power policy laid down in the Flood Control Act of 1944, but we shall have the best chance to get a contract which will bring the most benefits to the people.

Mr. CORDON. Mr. President, will the Senator further yield?

Mr. HILL. I yield further to my friend.

Mr. CORDON. Does the Senator from Alabama agree that the Texas contract is a provident contract and in the public interest?

Mr. HILL. So far as I know—I have not given detailed study to it—that contract is in the public interest for the particular area and particular situation which it serves. I will say to the Senator that I have no objection to entering into a contract which carries out the letter and the spirit of our power policy

and which is in the public interest. But though I agree with my friend, I ask him not to be so rosy hued in his optimism as to think that the agents who represent the people of the United States can go unarmed to negotiate these contracts.

Mr. CORDON. Will the Senator further yield?

Mr. HILL. I yield to my distinguished friend from Oregon.

Mr. CORDON. Is the Senator aware of the record, which is that in the Southwestern Power Administration situation the Administrator, Mr. Wright, asked the Appropriations Committee to recommend and the Congress to grant a very considerable amount of money—as I recall it was \$25,000,000; it may have been more—and presented a picture of a complete grid of transmission lines in the Southwest area, and the Senate committee did not recommend the appropriation? As a matter of fact, Mr. Wright was not armed with that vast amount of money, due to the fact that it had not been appropriated to him at the time he negotiated the contract.

Mr. HILL. Mr. Wright was armed with the money he needed when he negotiated with the Texas Light & Power Co. The appropriation had been made. What Mr. Wright needs now is the appropriation which the House of Representatives put into this bill, some \$9,000,000, and that is what I am asking the Senator to join me in getting for Mr. Wright.

Mr. CORDON. The Senator will recall that the Senate committee, in its report calling attention to the Texas contract, directed that attempts be made to secure that type of contract from the companies, and directed that a report on the situation be made by the first of the year. The Senate Committee on Appropriations, in taking that view—and the Senator from Oregon also took that view—felt that, inasmuch as a contract which seemed to be sound, in the public interest, and in the interest of economy, so far as we, who were not experts, could determine, had been worked out in that area, and the companies, finding they were face to face with Old Man Necessity—there can be no question about that—had indicated that they were prepared to go along with similar contracts, an opportunity should be given to those companies to prove by their actions what they had said by their words, and likewise an opportunity should be afforded the Government's representatives to act accordingly. The committee felt further that the Congress should have an opportunity at the end of a reasonable period to look into the matter and see if the parties had gotten together, and, if they had not gotten together, to see who was in error. Would the Senator feel that that is a sound approach, under the circumstances?

Mr. HILL. I am afraid the Senator has not heard what I have stated this afternoon, or else I did not make myself clear. I certainly would not think that was a sound approach. These projects are coming into being and it is the duty of the Secretary of the Interior, under the law, to make disposition of the power. What the Senator proposes, even if the appropriation were finally made, might cause all kinds of delays. The Senator is familiar with what delays mean. We

are now considering this appropriation bill, more than 6 weeks after July 1, when that date was supposed to be the deadline. The Senator knows that the Senate of the United States cannot even initiate an appropriation bill; it cannot act until a bill comes over from the House of Representatives. As a practical proposition, knowing the history of appropriations, as I do, this would open wide the door for all kinds of delays for months and months. In the meantime, there is tremendous pressure on the Secretary of the Interior to negotiate some kind of a contract, because water is going to waste over the dam, and there would be loud and raucous protest that the Department of the Interior was permitting the Government power to go to waste.

Let the representatives of the Government enter into negotiations. If the private power companies do not negotiate in good faith what they promise, the Government's representatives will be armed and able to act to protect the public interest and to carry out the Government's power policy for the benefit of the people.

Mr. MURRAY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. Long in the chair). Does the Senator from Alabama yield to the Senator from Montana?

Mr. HILL. I yield.

Mr. MURRAY. The chief object to be gained through the public-power policy is the low-cost power. The Senator knows what low-cost power has done for Oregon and the Pacific Northwest. In dealing with private utilities, as the able Senator has very well said, the Government must be so armed as to make a good bargain with them. Most of the private utilities are so overcapitalized that it is impossible for them to sell power at rates sufficiently low to develop business in the area. Take, for instance, the Montana Power Co. In an examination and investigation by the Federal Power Commission a year ago, it was found that the company had watered stock to the extent of more than \$50,000,000, and it is a small corporation. The companies are all overcapitalized. The Senator knows what the situation was when we were considering the holding-company bill. If we had not had the Holding-Company Act in the depression following the 1929 crash, this country would be in a much more dangerous condition than it is in today.

Mr. HILL. The Senator is correct when he says many of the private companies are loaded down with watered stock on which they must make some kind of a return. They have to continue to carry the stock and to provide dividends on it. The investigation by the Federal Power Commission showed exactly what the situation was and what we face when we have to deal with private power companies.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. MAGNUSON. Is it not also correct that at this time, in two instances, the Interior Department is attempting to enter into a contract in Idaho and into

contracts in other sections of the Pacific Northwest? In the middle of negotiations the Appropriations Committee knocks out the only weapon the Interior Department could have to deal with the parties. Under those circumstances, what kind of a contract can the people expect?

Mr. HILL. To send our agents out without giving them the funds with which to deal with the companies is like sending out sheep to meet wolves in winter.

Mr. MAGNUSON. Does the Senator agree with me that they denounced the Texas contract as criminal?

Mr. HILL. Not only did they denounce it, they kept on denouncing it year after year. They said it was criminal and declared it to be iniquitous.

Mr. MAGNUSON. I wonder what their attitude will be with regard to attempting to carry it out even after they sign it.

Mr. HILL. If we are to protect the interests of the people, if we are to safeguard the principles of the power policy, we must forearm the representatives of the people with these appropriations when they go in and sit around the table with the representatives of the private power companies.

As a business proposition, it is absurd to put the Government's negotiators behind the eight-ball of a policy that requires them to sell Government power through one private power company. No sane businessman, if he wanted to stay in business, would voluntarily limit himself to a single outlet for the distribution of his product. And no farmer who wanted to get a decent price for his crops would pile them at the side of the road and wait for a chance buyer to come along.

It is good Government to develop our rivers for multiple purposes—for navigation and commerce, for flood control and irrigation, and for electric-power production. The multiple-purpose job must be done by the people acting through their Government. It cannot be done by private companies.

It is good government to sell the people's power as cheaply as possible. Cheap power means that more power will be used by more people, and there will be more returns to the Federal Treasury.

TVA—which only the other day added its millionth customer—has taught this lesson. The people of the Tennessee Valley buy and use 10 times as much power as they used before TVA with its reasonable rates. They pay more taxes and buy more goods produced in other States. Last year they bought \$50,000,000 worth of electrical appliances alone produced in plants outside the Tennessee Valley. The same story is reflected in the tremendous consumption of low-cost power from the Bonneville and Grand Coulee Dams.

The benefits of cheap power and the benefits of multiple-purpose river development flow from one State and one region into all the States, and contribute to the growth and prosperity and strength of the entire Nation.

Abundant low-cost power means that America can decentralize her industries

and manufacturing centers, so necessary in this day of the atomic bomb. Low-cost power means a balance between city and country, between agriculture and industrial production. The day of industrial concentration, with slums and disease and crime, is nearing its end. Cheap electric power is bringing a new day of industry spread through the land.

Power transmission lines are the new highways of this progress. They are the modern roads over which our country continues to advance, the roads over which the underdeveloped regions move to fuller use of their manpower and their resources.

We must provide the funds required to make certain that the power policy of the Nation shall be carried out. American progress will not pay tribute on the private toll roads of monopoly.

REORGANIZATION PLAN NO. 1

Mr. TAFT. Mr. President, I wish to make a brief statement in support of the resolution disapproving Reorganization Plan No. 1, in order that the statement may be in the RECORD, and may set forth the opposition of those of us who think the plan should be disapproved.

I think the statement is particularly necessary because the President of the United States, in addition to his message submitting plans 1 to 7, inclusive, has seen fit to intervene in the legislative process by writing a special letter to the Vice President, which appears in Friday's RECORD. The President disapproves of and objects to the action of the Committee on Expenditures in the Executive Departments recommending rejection of plan No. 1 and plan No. 2. He makes the statement that the important changes which would be effected by these two plans were unanimously recommended by the Hoover Commission, and that their rejection would be a real set-back to the effort to reorganize the executive branch of the Government.

Mr. President, I do not like to leave that statement unchallenged. I wish to state briefly to the Senate the reasons why in my opinion plan No. 1 flies directly in the face of the recommendations of the Hoover Commission, and why its adoption would make impossible for years to come the carrying out of the Commission's recommendations.

We are approving many parts of the Hoover Commission plan. We have passed a bill for the reorganization of the armed services substantially in accordance with that plan. We have passed a bill creating a general service agency. Within 1 or 2 days, and without objection, I think, plans 3, 4, 5, and 6 will be approved. While plan No. 2 is contrary to congressional policy, both of the Seventy-ninth and Eightieth Congresses, it does not controvert the Hoover report. I do not know what action will be taken on it.

Plan No. 1 creates a new Department of Welfare containing all the major functions of the Federal Security Administration. It does not reorganize. It simply makes a department out of the Federal Security Administration, and a Cabinet officer out of the Administrator. Furthermore, it provides that all of the

functions of the officers and constituent units of the Department, including those functions conferred expressly by Congress on the Office of Education, on the Surgeon General of Public Health, and on the Social Security Administrator, are transferred to and consolidated in the new Secretary of Welfare. Under this plan he is given every power to direct in every detail all the functions which we have conferred on these various departments.

Section 2 (b) of the plan reads:

All of the functions of the Department of Welfare and of all officers and constituent units thereof, including all of the functions of the Federal Security Administrator, are hereby consolidated in the Secretary of Welfare.

The Secretary is given complete power to set up his Department any way he pleases, to mix welfare, health, and education as he sees fit and to subordinate health and education to welfare to an even greater extent than he can now do as Federal Security Administrator.

I do not know what the position of the Advisory Council may be, but the plan takes all the powers we have conferred on different officers in these fields, and transfers them to one man, who therefore becomes the dictator in the whole field of education, in the whole field of health, and the whole field of welfare.

In view of his public statements and actions, there can be no doubt that he would completely subordinate health and education to welfare. Doctor Parran resigned as Surgeon General and Mr. Studebaker as head of the Office of Education, largely because no independence was left to them in their proper functions. This gives even greater power to the new Secretary, as compared with that which the Federal Security Administration now has.

The Hoover plan recommends a Department of Welfare and Education, but it recommends a separate medical administration and excludes health from the new Department.

It is said, Mr. President, that health can be taken out of the Department later on; that later on a separate medical administration can be created. That is not true, because Mr. Ewing, and therefore, presumably, the President are opposed to it. Mr. Ewing has frankly stated in the letter which he wrote that he is opposed to the creation of a separate medical department. His testimony shows very clearly that he disapproves that part of the Hoover recommendation. He said in his letter:

I am unalterably opposed to the recommendation to transfer the Public Health Service to an independent United Medical Administration and I feel that any plan to consolidate hospital functions at this time would be premature.

Mr. Ewing reiterated that statement in his testimony before the committee. So we know that if we ever create this department Mr. Ewing, the head of it, will be absolutely opposed to setting up any independent medical administration.

Obviously, therefore, no plan is ever going to be submitted setting up any separate medical administration. Obviously, Congress cannot successfully pass

a bill setting up such an administration because it can be vetoed, and will be vetoed, if we have once voted affirmatively respecting plan No. 1, and Mr. Ewing has become a Secretary in the Cabinet of the President.

Mr. President, it is said that a medical administration can be set up only by statute and that therefore it was not included in this plan. That in my opinion is absolutely untrue. If the Federal Security Administration can be made a department, without any special reference in the Reorganization Act, then certainly the Public Health Service can be made a separate medical administration to which other functions can then be transferred. I think many Senators did not realize that a new department could be created under the Reorganization Act, but it is admitted that this extreme power was given by that act. But if that power was given, certainly the power was also given to take the Public Health Service out of the Department and set up a separate medical administration.

I might add at this point that, in analyzing the requirements of the Hoover plan, the Budget Commission has listed the things for which legislation was necessary and reorganization plans are necessary. All the important features of the United Medical Administration are covered by reorganization plans. The only substantive legislation required is that defining the beneficiaries entitled to medical care by the Government, which, after all, is something we know could only be done by Congress in any event.

Mr. President, the reorganization plan combines three functions: Health, welfare, and education, which are completely distinct in purpose, in theory, and in practice. At the State and local levels, where the main work is done, they are always separated. Education is usually separated, even from local government in our States, in order that it may be entirely independent. Many States elect a separate director of education. Welfare and health are separate in nearly every State and local government I know of. The Hoover Commission says they should be separate.

Two years ago the Senator from Arkansas [Mr. FULBRIGHT] and I introduced a bill to create a new Department of Health, Welfare, and Education, but only because we did not feel there could be three new separate departments. We carefully provided that each one of these functions be placed in an autonomous section, under a separate Under Secretary, reporting directly to the Cabinet officer, who was not given a whole raft of secretaries and under secretaries. By statute we assigned all matters relating to health to an Under Secretary of Health, all those relating to welfare to an Under Secretary of Welfare, and all those relating to education to an Under Secretary of Education. We put those departments under those Under Secretaries so they could not be shifted around. We gave, as I said, practically autonomous rights to those three departments. The Secretary became a representative of those three groups in the Cabinet of the President of the United States, where I think there ought

to be someone to speak for health, welfare, and education.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. FULBRIGHT. Was not that bill in a sense very much like the reorganization bill relating to the armed services, in recognition of the importance of these various services, and in an effort to try to maintain the integrity of the various services?

Mr. TAFT. Yes. I think it is important that the integrity of health, welfare and education be maintained; I think it is far more important to keep them separate than to keep separate the Army, the Navy and the Air Corps. The latter have exactly the same purpose. The functions of health, welfare, and education to my mind are completely independent and are only grouped because they are functions in which the Federal Government has only a secondary interest. The primary interest is in the States and local governments. They must do the main work of administration in those fields. Since the Federal Government has a secondary interest only, it seemed to us that it might be fair to put them all under one Cabinet officer. We could not have three separate Cabinet officers.

Mr. FULBRIGHT. Mr. President, will the Senator again yield?

Mr. TAFT. I yield.

Mr. FULBRIGHT. If the Congress and those in the administration have seen the necessity for keeping separate the Air Force and the Navy, for example, in order to prevent some admiral, we will say, from dominating the Air Force and thereby the Air Force losing its efficiency, I think even more so that principle is applicable in the field we are now discussing.

Mr. TAFT. The Senator is entirely correct. If authority over all three of these agencies were vested in a Secretary he would, I believe, become the most powerful figure in the Government so far as domestic affairs are concerned.

The Federal Security Administration has increased its expenditures from \$743,000,000 in 1946 to \$1,500,000,000 in 1950.

The Hoover Commission's task force on public welfare recognizes clearly that the proposed department should be separated and the power centered in the three bureau chiefs. That task force on public welfare, much as they are interested in welfare, came to this conclusion:

In a multifunctional department the bureau chiefs are the real directing heads of actual operations—

In a multifunctioning department, one where there are three entirely separate functions—

especially if the bureaus are engaged in professional or scientific fields. They should be and often are selected primarily on the basis of their professional attainments and standing. * * *

Our recommendation would be that no steps be taken which would reduce the status and prestige of the chiefs of the professional bureaus in the Federal Security Agency. The positions should attract the best, and opportunity for professional leader-

ship and influence is perhaps the most attractive feature of these positions.

The new Secretary could not be an expert in health, in welfare and in education at the same time. Nor could he properly study and develop the knowledge necessary to cover all three of those fields. He is most likely, of course, to be a man interested in welfare, to whom health and education are entirely subordinated. The new plan does not carry out the purpose of the Reorganization Act. Far from reducing expenditures, it will lead to increased spending. Not one cent of saving will result. If the Federal Security Administration were raised to a department it would be bound to add many officers and increase the cost and expense. Far from increasing the efficiency of the operations of the Government, it would subject all of these departments to political control. It does not group agencies "according to major purposes," in the terms of the Reorganization Act. It does not consolidate agencies for similar functions or abolish a single agency or function. It does not eliminate overlapping or duplication of

effort. It contains one rather curious provision making the Federal Security Administrator the Acting Secretary of Welfare for a period of 60 days, receiving the compensation of the Secretary of Welfare. Apparently the Federal Security Administrator cannot wait for confirmation by the Senate. Clearly no man should become Acting Secretary of Welfare until his name has been submitted to the Senate and given consideration. The Reorganization Act does not contemplate that any Cabinet officer act as such without confirmation by the Senate.

The rejection of this plan will not be any set-back to the adoption of the Hoover plan. It will be a warning to the departments that they cannot have their cake and eat it too. I submit for the RECORD a summary of the replies of the various departments to the Committee on Expenditures in the Executive Departments, and ask that it be incorporated in the RECORD at this point as a part of my remarks.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

COMMENTS OF DEPARTMENTS AND AGENCY HEADS ON THE HOOVER REPORT

All departments and agencies of the Executive Branch have studied the recommendations of the Hoover Commission. The comments of almost 30 departments and agencies have been submitted to Senator McCLELLAN, chairman of the Senate Expenditures Committee. These comments have been printed or summarized in the CONGRESSIONAL RECORD. The reaction of most of the department and agency heads was very unfavorable. This attitude constitutes a very serious threat to effective reorganization.

In its final report to Congress, the Hoover Commission warned:

"It is natural to expect vigorous opposition to reforms from agencies and groups, each of which approves heartily of reorganizations that do not affect its own immediate interests. The Congress must be prepared to accept this fact and give careful attention to the validity of arguments of those who would seek to escape reorganization, as many have so successfully done in the past." (Concluding Report, p. 47.)

The most vigorous opposition to the Hoover report is represented in the comments of the following departments and agencies:

FEDERAL AGENCY	EXAMPLE OF HOOVER COMMISSION RECOMMENDATIONS APPROVED	EXAMPLE OF HOOVER COMMISSION RECOMMENDATIONS DISAPPROVED
Department of Agriculture.	Two additional Assistant Secretaries and an Administrative Assistant Secretary; increased authority for Secretary to control Department.	Proposals estimated to save \$44,000,000 a year, including discontinuance of certain lending activities of Farmers' Home Administration; consolidation of that Administration with Farm Credit Administration; creation of a single departmental regulatory service; prohibition against committees of farmers serving any capacity other than advisory.
Civil Aeronautics Board.	Increased salaries for Board members and staff assistants.	Separation of regulatory functions and business functions by transfer of latter to Department of Commerce; development of over-all route programs for air transportation by Department of Commerce; payment of air-mail subsidies by open appropriation from tax funds rather than by way of hidden subsidies imposed on the Post Office and mail users.
Civil Service Commission.	Development of standards for department and agency personnel offices if sufficient funds are provided for this additional function; increased salaries for agency heads; sabbatical leave for certain Government employees; Chairman of CSC to be Director of Personnel in the Executive Office of the President.	Mandatory requirement that each department or agency head have director of personnel on his management staff; further decentralization of examining and recruiting personnel.
Federal Deposit Insurance Corporation.	No approval of any Commission recommendation indicated.	Transfer to FDIC to the Treasury Department.
Federal Power Commission.	Salary increases for Commissioners, Board and staff members.	Transfer of power planning functions to Department of Interior; investigation of natural gas resources be given to Interior; increased power for Chairman; supervision by Budget Bureau of publications and statistical activities.
Federal Security Agency.	Transformation of the FSA into a Department of Welfare; higher salaries for top-level officials; increased authority of agency heads over their organizations; transfer of Bureau of Indian Affairs from Department of Interior to FSA.	Transfer of Public Health Service and Federal hospital functions to a United Medical Administration; transfer of functions under the food and drug laws to Department of Agriculture and an independent medical agency; transfer of Bureau of Employees Compensation and Employees Compensation Appeals Board to Labor Department; retention of Railroad Retirement Board as an independent agency; continued administration of educational exchange program by State Department.
Federal Trade Commission.	Increased salaries; greater control over Commission personnel transactions.	Transfer of regulatory functions relating to food products to Department of Agriculture; transfer of drug regulatory functions to a United Medical Administration.

FEDERAL AGENCY

Housing and Home Finance Agency.

United States Maritime Commission.

National Advisory Council on Aeronautics.

Reconstruction Finance Corporation.

Selective Service System.

Veterans' Administration.

EXAMPLE OF HOOVER COMMISSION RECOMMENDATIONS APPROVED

Increased salaries; transfer of Veterans' Administration home loan guaranty activities to HHFA; greater decentralization of personnel transactions now performed by Civil Service Commission; transfer of Federal National Mortgage Association to HHFA.

Higher salaries for Commissioners and other top-level officials; additional power to delegate authority.

The Commission's personnel management recommendations, including pay raise, and the Hoover report on supply activities and budgeting and accounting.

General approval of the Hoover report on budgeting and accounting, and the report on personnel management recommending higher salaries and greater control over personnel transactions.

No approval of any part of Hoover report indicated.

No approval of any part of Hoover report indicated.

EXAMPLE OF HOOVER COMMISSION RECOMMENDATIONS DISAPPROVED

Congressional approval of expenditures for capital additions; congressional restrictions on direct loans; placement of housing construction functions in Department of Interior; establishment of a National Monetary and Credit Council; transfer of Office of Housing Expediter to HHFA.

Separation of regulatory and business functions by transferring the latter (ship construction, operation, charter, and sale) to Department of Commerce; development of water route programs by Commerce rather than United States Maritime Commission; determination of minimum wages for seamen removed to Labor Department; establishment of a clear line of authority from the President down to subordinate units of the executive branch.

Transfer of NACA to the Department of Commerce; authority in General Services Agency over specialized procurement.

Every specific recommendation of the Hoover Commission which applies to RFC; general recommendations concerning charters for Government corporations.

Transfer of the Selective Service System to the Department of Labor.

Virtually every specific recommendation applying to VA, including: Creation of a veterans' life insurance corporation; transfer of home loan guaranty program to HHFA; transfer of medical functions to an independent medical agency; transfer of hospital construction functions to Interior; and centralization of public buildings management functions in the General Services Agency.

The Hoover Commission predicted that many departments and agencies would bitterly oppose effective reorganization. The power of an entrenched bureaucracy has been strong enough to nullify the reorganization efforts of every President from Taft to Roosevelt. The comments of most of the major departments and agencies show that they will support only the expensive recommendations such as those dealing with increased salaries, additional personnel, and additional powers. They will oppose the money-saving recommendations of the Commission, represented principally in the consolidation of functions scattered throughout the executive branch, and in the discontinuance of certain activities. If the departments and agencies are permitted to take only the plums in the Hoover report, the cost of Government will be increased substantially without any increase in efficiency.

The Hoover Commission warned of the dangers of partial or half-hearted implementation of its recommendations. It is only fair to demand that department and agency heads who seek the benefits of the Hoover report must also accept recommendations which may not advance the interests of their own empire. More than half of the Commission's recommendations require no specific legislation. Accordingly the initial responsibility for resisting the pressures of departments and agencies lies with the President. In the Reorganization Act of 1949, Congress vested in the President extremely broad reorganization authority without any crippling exemptions or exceptions. Unfortunately, the hostile attitude of some departments and agencies toward the Hoover report has already been reflected in the action of the President.

For example, in Reorganization Plan No. 6 of 1949, the President adopted several minor recommendations of the Commission relating to the United States Maritime Commission. The most important recommenda-

tion from the standpoint of economy and efficiency was the separation of regulatory functions and business functions. The Hoover Commission recommended that the business of building, operating, chartering, and selling ships be transferred to the Department of Commerce. The transfer of business functions to the Department of Commerce could have been made by the President in accordance with his authority under the Reorganization Act of 1949. Apparently, the objection of the Maritime Commission prevailed.

Reorganization Plan No. 1 of 1949 faithfully carries out Federal Security Administrator Ewing's opinion of these Hoover Commission recommendations which deal primarily with the functions of his agency. The plan converts the Federal Security Agency into a Department of Welfare. It confers on the Secretary of Welfare additional authority over welfare, health, and education activities. The Hoover Commission recommended that certain nonwelfare activities be transferred to other departments or agencies. Mr. Ewing recommended that these nonwelfare activities be retained in a Department of Welfare. They were not disturbed by Reorganization Plan No. 1. Although the President provided in Reorganization Plan No. 2 for the transfer of the Bureau of Employment Security from the Federal Security Agency to the Department of Labor, this recommendation of the Hoover Commission was not opposed by Mr. Ewing.

Some Federal agencies, which by reason of their size or the peculiar character of their work are little affected by the Commission's recommendations, approved the Hoover report. Generally favorable comments were also made by heads of Departments which would lose no functions if the Hoover Commission recommendations were adopted.

Mr. TAFT. Mr. President, this summary is very interesting. All the depart-

ments in their reports accept the things which they like and reject the things which they do not like. For example, the Department of Agriculture approves these recommendations of the Hoover Commission: Two additional assistant secretaries and an administrative assistant secretary; increased authority for Secretary to control Department. It rejects proposals estimated to save \$44,000,000 a year, including discontinuance of certain lending activities of the Farmers Home Administration; consolidation of that Administration with the Farm Credit Administration; creation of a single departmental regulatory service; and prohibition against committees of farmers serving in any capacity other than advisory. It rejects everything that makes any economy. It accepts things that it likes.

The Civil Aeronautics Board approves increased salaries for Board members and staff assistants, but rejects every other proposal of the Hoover Commission.

There will be inserted in the RECORD reports of the various bureaus, in every case saying, "This we like, and that we do not like." So if we accept uncritically the plans which are presented, we shall find that we have picked out those things which are pleasing to the departments, and left out all the things that they do not like. Once they get the things they like, there will be no effort and no interest in carrying out the effective parts of the Hoover Commission recommendations.

We cannot give the departments the things they want and then ever hope to

impose on them those matters which they regard as unpleasant. Even in the State Department bill it will be remembered that they added the assistant secretaries recommended by the Hoover report, but they did not abolish the office of General Counsel and one other office which the Hoover Commission recommended should be abolished.

The General Service Agency takes in the Federal Works Agency, but does not face the problem of setting up a Department of Public Works, which is such a knotty problem.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. LUCAS. Does the Senator from Ohio disagree in any degree at all with the Hoover Commission's recommendations? Does he take everything the Hoover Commission has recommended, and swallow everything that is handed down?

Mr. TAFT. I do not think I would; no. The important point I wanted to make today is that this plan is in violation of the Hoover plan. That is the point I am anxious to make at this time. I shall discuss tomorrow at greater length all the details, and will be glad to answer questions. I am glad to answer questions now.

Mr. LUCAS. I am glad to know that the Senator from Ohio does not agree with everything the Hoover Commission has recommended, yet he is criticising the administration for disagreeing with the Hoover Commission. At the same time, he tells the Senate and the country that he does not agree with everything the Hoover Commission recommends.

Mr. TAFT. I am delighted to have the Senator point out that the Senator should examine the plans submitted, and should not accept them merely because they happen to be in full accord with the Hoover plan. That is exactly the critical examination which I think we should make of this plan. I am fully in accord with the Senator from Illinois.

Mr. LUCAS. I am in accord with the Senator from Ohio, but the Senator has been using the Hoover Commission's recommendations in his argument to tear down Reorganization Plan No. 1 and other similar plans which have been submitted by the President.

Mr. TAFT. The only reason I have done so is that the President of the United States sent a letter which was inserted in the RECORD, which stated that if we disapprove this plan, just as it is, we shall be discrediting the Hoover plan, and the President could not go forward with it. That simply is not true. My whole purpose in speaking this afternoon is to dispute that statement. I am delighted to have the Senator feel also that the President's position is not correct in that respect.

Mr. LUCAS. I wish to make one or two statements. Now that the able Senator from Ohio has taken the leadership away from the Democratic Party upon this very important issue, and has seen fit to deliver a speech on this important question, I am sure that he has spoken for those who are against Reorganization Plan No. 1. As a result of the

speech which he has made this afternoon, it seems to me that we ought to get a limitation of debate when we come back here tomorrow.

Mr. TAFT. I should be inclined to recommend a limitation of debate.

Mr. LUCAS. I am sure the Senator would, after making his principal speech this afternoon, before the reorganization plan is even before the Senate. I am very glad that he has done so, if it will save some time. The Senator from Ohio cannot add very much to what he has said this afternoon, even though he goes into great detail.

Mr. TAFT. I thank the Senator.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. MURRAY. Mr. President, I ask unanimous consent to have inserted at this point in the RECORD, two items which I send to the desk, which will contribute to our thinking on Reorganization Plan No. 1.

The first is a letter by Dr. Mattingly, of Washington, which illustrates some of the irrelevancies which have entered the discussion of this matter. The second is a column by Doris Fleeon which closes on a provocative note. Some of my colleagues may be thinking of voting against the plan at the behest of a misinformed medical society which thinks that by reorganizing the executive branch of the Government on a more efficient basis, we are abdicationing our right to legislate on matters of health. Of course, this claim is absolutely unfounded and irrelevant. However, should it be offered tomorrow, I shall watch with interest to see if those espousing that argument show the intellectual consistency to which Miss Fleeon refers. I shall watch to see with what equal promptitude and fervor they move to do away with the medical care now made available to Members of the Senate on terms which must be much more objectionable to medical societies than is Reorganization Plan No. 1.

There being no objection, the letter and article were ordered to be printed in the RECORD, as follows:

WELFARE DEPARTMENT

Ernest E. Irons, M. D., president, American Medical Association and the editors of the Washington Post take opposing views re: the President's Reorganization Plan No. 1 (July 29).

Our AMA wants a Federal department of health headed by a physician of Cabinet rank. The Washington Post advocates coordinating all the Nation's problems of health, education, and social security under a new department of welfare. It would not require the administrator to be a doctor. But it would require him to be an acknowledged expert in all phases of social engineering pertaining to culture and the economics of democratic survival.

Dr. Irons fears the President's reorganization plan will make America over in the bankrupt pattern of the welfare state. He implies that the drift to the welfare state can be avoided. If he so believes Dr. Irons is blind to the tumultuous and irresistible forces of history about him. The welfare state is unavoidable. It is either that or the slave state.

The welfare state is the lesser evil. For this Nation, its mind, heart, and conscience will be determined by the future department

of welfare. Our job is to make that conform to democratic ideals and traditions.

The essential characteristic of any welfare state is administrative government. By its very nature it is a denial of representative government. We must revert to a rule of men through the appointive power of our Chief Executive. Theoretically these appointees are exemplary servants of policy. In practice they are a cynical means of paying political debts. Given administrative power they soon conspire to become makers and masters of policy. This is how a political dictatorship would come to power in this country.

If politicians like Mr. Ewing are to be key administrators in the inevitable welfare state let organized medicine be vigilant and resolute in denying his policy-making powers. We do not question Mr. Ewing's skill as an administrator nor that the President is deeply in his debt. We do deny he is an acknowledged expert in all phases of social engineering pertaining to culture and the economics of democratic survival.

— THOMAS E. MATTINGLY, M. D.

WASHINGTON.

[From the Washington Evening Star of August 11, 1949]

POWERFUL MEDICINE—COALITION FIGHT ON EWING IMPERILS PLAN TO COMBINE WELFARE ACTIVITIES

(By Doris Fleeon)

Because Oscar Ewing, Federal Security Administrator, loyally supports President Truman's Fair Deal, including the health program, Reorganization Plan No. 1 is in peril.

Plan No. 1 combines all welfare activities in a Department of Welfare. It brings to fruition years of nonpartisan effort which culminated in the Reorganization Commission headed by Herbert Hoover. Mr. Hoover has testified that it is a step in the right direction and substantially in accord with his recommendations.

It is known that Mr. Truman would name Mr. Ewing Welfare Secretary. Obviously, Mr. Ewing could not administer any health program Congress did not first enact and Congress has not yet seen fit to enact one.

Actually the fight on Mr. Ewing represents another bold attempt by a Republican-southern conservative Democrat coalition to dictate personnel or policy to the White House which is has failed to capture in free elections for 20 years.

TAFT ONE OF AUTHORS

Senator TAFT is one of the authors of the resolution to disapprove plan No. 1, the others being Democrats—HUNT, of Wyoming, a dentist; and FULBRIGHT, of Arkansas. Senator TAFT has made tentative attempts to make defeat of plan No. 1 a matter of Republican policy but has been rebuffed, many Republicans feeling it would constitute a repudiation of Mr. Hoover.

Democrats will not even ask the President to withdraw Mr. Ewing's name; they agree with him that Mr. Ewing has earned the post. But they fear the powerful medicine mixed by the American Medical Association against the Truman bill and its defender, Mr. Ewing.

The AMA propaganda is well financed, widespread, and above all, respectable. Southern Democrats can cite it without mentioning that Mr. Ewing, in appointing a colored woman as his special assistant and colored doctors to Federal hospital staffs, is actually practicing the civil-rights plank in the Democratic platform.

Notably Senator HOEY, of North Carolina, is one of four Expenditures committeemen who voted against the disapproval resolution. The others: Republican MARGARET CHASE SMITH and Democrats HUMPHREY and TAYLOR.

Voting to report the plan unfavorably were Democrats EASTLAND, ROBERTSON, and Mc-

CLELLAN, all southerners, and Republicans MCCARTHY, IVES, MUNDT, and SCHOEPPPEL. Their argument is said to be that Mr. Ewing is bound to be Secretary of Welfare and that putting so stout a champion of the Truman program there would give it great momentum.

NOTABLY SUCCESSFUL

Truman appointments are too often vulnerable from the competence standpoint. Mr. Ewing however cannot be attacked as a lame duck, a profession liberal, or a Government careerist who never met a pay roll. He is a notably successful New York lawyer, formerly counsel for the Aluminum Co. of America. As former Democratic vice chairman, he did many important and delicate tasks for his party.

Senators, of course, are not against socialized medicine for Senators. They, and Representatives too, enjoy the unremitting attentions of a doctor chosen by them and paid by the taxpayers, Dr. George Calver, whose office is in the Capitol. When they need hospitalization, the taxpayers generously provide completely free treatment by some of the country's finest doctors in the superb Army and Navy hospitals here.

To paraphrase Samuel Butler, Members of Congress would be almost as much horrified at hearing socialized medicine preached as they would be to see it discontinued in their case.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. ELLENDER. Can the Senator tell us what position the Hoover Commission, or any member of it, took as to Reorganization Plan No. 1? Has it taken sides?

Mr. TAFT. I do not believe that the Hoover Commission took any official position. I understand it did not. In effect, it seems to me that the plan which is submitted carries out the recommendations of the minority of the three members of the Hoover Commission. In effect they did not want to set up a separate medical administration. As I see it, this plan simply carries out the recommendations of the minority of the Hoover Commission.

Mr. ELLENDER. The Senator stated a while ago that if we were to give the Federal Administrator Cabinet status, it would increase his power. Can the Senator tell us in what respect?

Mr. TAFT. Under the terms of this plan, which I read:

All of the functions of the Department of Welfare—

If they had stopped there, and continued with the language, "Including all the functions of the Federal Security Administrator, are hereby consolidated in the Secretary of Welfare," it would have been different. They said:

All of the functions of the Department of Welfare and of all officers and constituent units thereof.

That means powers conferred by statute on the Surgeon General of the Public Health Service—powers, for example, to approve plans for the construction of hospitals. Such powers would all be transferred to the Secretary of Welfare. He would pass on those questions individually, unless he chose to delegate the task to someone else.

Mr. ELLENDER. But all those powers are derived from Congress, are they not?

Mr. TAFT. Yes; they are derived from Congress. But Congress thought

that the position of Surgeon General in the Public Health Service should be filled by a doctor, and that the powers conferred on him should be exercised by a doctor. We placed educational powers in the head of the Office of Education, who presumably is an educator. Congress did that deliberately.

It is a general principle of the Hoover plan to concentrate power in the top man, and ordinarily I do not object to that principle; but when we have a department made up of three entirely separate functions, then it seems to me obvious that those functions ought to be kept separate by Congress, and ought to be administered by men chosen for the particular purpose.

INTERIOR DEPARTMENT APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MAGNUSON. What is the question before the Senate?

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 5, after line 10, in House bill 3838.

Mr. KERR obtained the floor.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. LUCAS. I should like to suggest the absence of a quorum, if the Senator from Oklahoma will permit that to be done. This is the first time the able Senator from Oklahoma has taken the floor since he has been a Member of the United States Senate. It is very unusual, in these days, for a distinguished gentleman like my friend the Senator from Oklahoma to wait this long, and I should like to have all Members of the Senate hear him discuss this very important question.

INDEPENDENT OFFICES APPROPRIATIONS FOR 1950—CONFERENCE REPORT

Mr. O'MAHONEY. Mr. President, before a quorum call is had, unless one should be necessary with respect to the request I am about to make, let me say that the House has just adopted the conference report on the Independent Offices Appropriation bill. I know everyone is anxious to get these appropriation bills passed. I should like to submit the conference report on the part of the Senate conferees, and have it considered, if the Senator from Oklahoma will yield for that purpose.

Mr. KERR. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, I submit the conference report on the Independent Offices Appropriation bill and ask for its immediate consideration.

Mr. TAFT. Mr. President, I wonder whether the Senator from Wyoming would be willing to put that request over until tomorrow. My attention has been called to the fact that the conferees have inserted a long proviso dealing with

the whole question of veterans' education in private schools. I question that provision. Off hand it would seem to me to be legislation. I do not know whether the Committee on Conference has power to do so, but at least I disagree with some of the conclusions and some of the legislation, because it is clearly legislation.

Mr. O'MAHONEY. Does the Senator from Ohio refer to the amendment dealing with aviation training?

Mr. TAFT. If it related to aviation training only, that might be another matter. There was in the bill something about aviation training. But this item applies to all schools for veterans.

For some time we have been having before the Committee on Education and Labor hearings on the whole question of the regulation of privately owned schools, which in some ways constitute an abuse and in other ways constitute a service for the veterans. I should not like to have this conference report go through at this time; at least, I wonder whether the Senator would be willing to have it wait until tomorrow.

Mr. O'MAHONEY. I was just going to say to the Senator from Ohio that if I have in mind the item to which he has been referring, it relates to an amendment offered by the Senator from Oklahoma (Mr. THOMAS) in regard to aviation training and aviation schools. That was a Senate committee amendment. It was adopted by the Senate. The House conferees disagreed, and insisted upon inserting this other material, which is, as I understand it, the complete text of the regulation under which the Veterans' Administration is now operating by authority of law. The Senate conferees agreed, for otherwise the Senate amendment would have been lost.

Let me suggest to the Senator from Ohio that perhaps the best way to proceed would be to allow this particular amendment to go over, but to adopt the remainder of the conference report. Then the Senator could deal with this particular item tomorrow morning, and his objection to this item would not then block consideration of this important privileged report.

Mr. TAFT. Mr. President, can that be done?

Mr. O'MAHONEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. O'MAHONEY. Would it not be possible for us to consider all of the conference report save amendment No. 74, and allow that one amendment to go over until tomorrow?

The PRESIDING OFFICER. Since the amendment is not embraced in the conference report, that can be done.

Mr. TAFT. Mr. President, let me say that this item is of great importance, I think, because in the subcommittee of the Committee on Labor and Education we have had representatives of the Veterans' Administration before us. A provision which is not in the law has been inserted. It provides that none of this money shall be used to pay the allowances, and so forth, "for any veteran, after the date of the enactment of this

act, to recenter training or change a course, except where such reentry or change of course is based upon the recommendation of the Administration, following advisement and guidance."

They admit it would cost \$8,000,000 for them to put on the additional personnel to give that advice and approval or guidance. Certainly that is a substantial change from anything in existing law.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. AIKEN. I should like to add that if this proposed legislation is not approved, then any serviceman who has started a course, but who has dropped it, perhaps to take a job, and now wishes to take up that course again, can do so, unless he was expelled for cause.

Mr. O'MAHONEY. Mr. President, I recognize the importance of the matter. My suggestion is that we approve—if that is possible, and I think it is—all the rest of the conference report, but allow this matter to go over until tomorrow.

Mr. TAFT. That will be perfectly satisfactory.

Mr. AIKEN. I wish to point out that the veterans in the schools are not dependent upon the adoption of this particular provision, which I think clearly is legislation.

Mr. O'MAHONEY. Yes; it is legislation, but it has been approved by the House.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. Except for the amendment which will go over, what is left in the conference report for the Senate to act upon?

The PRESIDING OFFICER. There are several amendments.

Mr. O'MAHONEY. About 100 amendments were added by the Senate. Some, comparatively few, the Senate conferees had to surrender. The House has agreed to some, to others with an amendment, and I propose to proceed with all except this one.

Mr. WHERRY. All except this one?

Mr. O'MAHONEY. Yes. The present proposal is to have the Senate agree to all of the conference report with the exception of amendment No. 74.

Mr. WHERRY. So all the amendments we would now approve are Senate amendments, and the House has agreed to concur in them?

Mr. O'MAHONEY. There were some changes. The Senate conferees receded upon some, and the House has receded upon others.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. FERGUSON. Does this amendment include aviation training?

Mr. O'MAHONEY. Yes; this is the one.

Mr. FERGUSON. It has been greatly changed.

Mr. O'MAHONEY. Unquestionably it has.

Mr. WHERRY. I understand that, and I understand that the amendment will go over for further consideration.

Mr. O'MAHONEY. Yes.

Mr. WHERRY. I wish to know if there are points of issue in the other amendments, which might involve considerable discussion such as is contemplated in connection with amendment numbered 74.

Mr. O'MAHONEY. I think not, but I am merely requesting unanimous consent that we may proceed to the consideration of all the other amendments in the conference report, except number 74, and that it may go over.

Mr. WHERRY. Will the Senator from Wyoming explain the amendments?

Mr. O'MAHONEY. Certainly.

Mr. WHERRY. Very well; I have no objection to the consideration of the conference report, except for the one amendment.

The PRESIDING OFFICER. The conference report will be read.

The report was read by the legislative clerk.

(For the full text of the conference report, see CONGRESSIONAL RECORD of August 12, 1949, at pages 11604-11605.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

The PRESIDING OFFICER. The question is on agreeing to the report.

Mr. WHERRY. Mr. President, I ask the distinguished Senator from Wyoming to give us an explanation—I would not say in detail; but I should like to know if the report includes any amendments containing legislation, on which the conferees on the part of the Senate and the conferees on the part of the House concurred, other than the amendment we have just discussed.

Mr. O'MAHONEY. Mr. President, I think that is the only one which involves any addition of that kind.

The bill was based upon a budget estimate of \$8,051,000,000. The total of the bill as passed by the House of Representatives was \$7,103,000,000. As the bill passed the Senate, the total was \$7,663,000,000-odd. In the conference the amount was reduced to \$7,617,739,361.

The principal difference between the Senate version and the House version lay in additional estimates which came to the Senate, but which were not considered by the House of Representatives, the net difference being an increase of approximately \$267,000,000, as I remember. The principal increase was in the amount for the National Service Life Insurance—an increase of more than \$400,000,000.

Mr. WHERRY. I happen to be on the subcommittee handling that matter, and I appreciate the amendment.

Let me ask the distinguished Senator about the appropriations for the Atomic Energy Commission.

Mr. O'MAHONEY. The Senate provisions were accepted.

Mr. WHERRY. The provisions for fellowships, and so forth, in regard to atomic energy?

Mr. O'MAHONEY. Absolutely; they were accepted just as the Senate wrote them.

Mr. WHERRY. Does the distinguished Senator care to go on with his discussion? I think it is very informa-

tive. Those are all the questions I should like to ask.

Mr. O'MAHONEY. I am sure the report conforms to the will of the Senate. I have never known a conference to be more cooperative. The conferees on the part of the Senate felt that the conferees on the part of the House were most agreeable, although they vigorously defended the House version. I wish to compliment Representative ALBERT THOMAS, of Texas, chairman of the conferees on the part of the House, and the other able Members of the House of Representatives who served with him—Mr. GORE, of Tennessee, Mr. PHILLIPS, Mr. ANDERSON, Mr. CANNON, Mr. CASE, and the others. We had a very pleasant conference, although, as in this instance of amendment 74, the Senate conferees were forced to yield. We felt that the House presented a persuasive case. I think the report generally harmonizes with the will of the Senate.

For example, on the Maritime Commission controversy, the House has receded, and the provisions with respect to the vessels, the *Mariposa* and the *Monterey*, have been disagreed to. The position taken by the Senate was sustained.

There is in the report a direction, however, that the Maritime Commission make an immediate investigation and make a recommendation to the Congress by the first of September for action by the appropriate legislative committees.

Mr. WHERRY. Mr. President, I thank the Senator for the explanation. Then my understanding is that what the Senate is taking action on now is everything—

Mr. O'MAHONEY. It is being asked to act on everything except amendment No. 74.

Mr. WHERRY. It is everything except that? How did the Senator refer to the provision on page 63, line 14? Did he use the word "occupation"?

Mr. FERGUSON. "Veterans' training."

Mr. WHERRY. After the word "occupation" insert "which has to do with veterans' training." Is that it? It is a little more than that, I think. How is the Senator going to designate it?

Mr. O'MAHONEY. Amendment 74.

Mr. WHERRY. Amendment 74? It is not the copy I have.

Mr. O'MAHONEY. It is known as amendment 74, and I say to the Senator that the Senate committee recommended an amendment with respect to aviation training; the Senate accepted the amendment; it went to conference, and the House conferees declined to agree to the amendment unless the Senate conferees would agree to additional language. That was done, and the House, now having adopted the modified amendment 74, it is before us, and I think in a perfectly parliamentary way. But of course, I feel there should be a full understanding of the meaning of the conferees' modification of the Senate amendment.

Mr. WHERRY. Does the Senator mind if I propound a parliamentary inquiry on that point?

The PRESIDING OFFICER. This amendment was not in the conference

REORGANIZATION PLAN NO. 7 OF 1949—TRANSFERRING
THE PUBLIC ROADS ADMINISTRATION

AUGUST 16 (legislative day, JUNE 2), 1949.—Ordered to be printed

Mr. McCLELLAN, from the Committee on Expenditures in the
Executive Departments, submitted the following

REPORT

[To accompany S. Res. 155]

THE The Committee on Expenditures in the Executive Departments, having considered Senate Resolution 155, which provides for the transfer of the Public Roads Administration to the Department of Commerce, reports thereon without amendment, and without recommendation for consideration by the Senate.

The President transmitted to the Senate on June 20, 1949, pursuant to the Reorganization Act of 1949, Reorganization Plan No. 7 providing for the transfer of the Public Roads Administration from the Federal Works Agency to the Department of Commerce, as follows:

REORGANIZATION PLAN NO. 7 OF 1949

PUBLIC ROADS ADMINISTRATION

SECTION 1. *Transfer of Public Roads Administration.*—The Public Roads Administration, together with its functions, including the functions of the Commissioner of Public Roads, is hereby transferred to the Department of Commerce and shall be administered by the Commissioner of Public Roads subject to the direction and control of the Secretary of Commerce.

SEC. 2. *Transfer of certain functions of Federal Works Administrator.*—All functions of the Federal Works Administrator with respect to the agency and functions transferred by the provisions of section 1 hereof are hereby transferred to the Secretary of Commerce and shall be performed by the Secretary or, subject to his direction and control, by such officers, employees, and agencies of the Department of Commerce as the Secretary shall designate.

SEC. 3. *Records, property, personnel, and funds.*—There are hereby transferred to the Department of Commerce, to be used, employed, and expended in connection with the functions transferred by the provisions of this reorganization plan, the records and property now being used or held in connection with such functions, the personnel employed in connection with such functions, together with the Commissioner of Public Roads, and the unexpended balances of appropriations, allocations, and other funds available or to be made available for use in connection with such functions. Such further measures and dispositions as the Director of the Bureau of the Budget shall determine to be necessary in order to

effectuate the transfers provided for in this section shall be carried out in such manner as the Director shall direct and by such agencies as he shall designate.

SEC. 4. *Effect of reorganization plan.*—The provisions of this reorganization plan shall become effective notwithstanding the status of the Public Roads Administration within the Federal Works Agency or within any other agency immediately prior to the effective date of this reorganization plan.

Under the provisions of the Reorganization Act of 1949, Reorganization Plan No. 7 of 1949 will become effective August 19, 1949, unless the Senate takes adverse action before that date, as provided in Senate Resolution 155.

The preamble to Senate Resolution 155 sets forth the basis on which the resolution was submitted, as follows:

Whereas Reorganization Plan No. 7 of 1949, transmitted to Congress on June 20, 1949, provided for the transfer of the Public Roads Administration to the Department of Commerce; and

Whereas there was subsequently enacted the Federal Property and Administrative Services Act of 1949 (Public Law 152), approved June 30, 1949, which abolished the Federal Works Agency and transferred all of its functions to the Administrator of General Services, and which changed the name of the Public Roads Administration to the Bureau of Public Roads and transferred all of its functions to the Administrator of General Services; and

Whereas Reorganization Plan No. 7 thus proposes to affect agencies which do not in fact exist; and

Whereas section 9 (a) (1) of the Reorganization Act of 1949 (Public Law 109) provides, in substance, that any statute enacted in respect of any agency or function affected by a reorganization plan, before the effective date of such reorganization, shall have the same effect as if such reorganization had not been made; and

Whereas all doubt should be removed as to whether the above cited statute has made such reorganization plan ineffective: Now, therefore, be it

Senator Carl Hayden, the sponsor of the subject resolution, submitted the following memorandum, prepared by the Office of the Legislative Counsel, to the Senate (Congressional Record, August 15, p. 11638):

OFFICE OF THE LEGISLATIVE COUNSEL,
UNITED STATES SENATE.

REORGANIZATION PLAN No. 7 OF 1949

MEMORANDUM FOR SENATOR HAYDEN

This is in reply to your request for our opinion with respect to the effectiveness of Reorganization Plan No. 7 of 1949, transmitted to the Congress on June 20, 1949.

The substantive provisions of Reorganization Plan No. 7 relate to the transfer of the Public Roads Administration and read as follows:

"SECTION 1. Transfer of Public Roads Administration: The Public Roads Administration, together with its functions, including the functions of the Commissioner of Public Roads, is hereby transferred to the Department of Commerce and shall be administered by the Commissioner of Public Roads subject to the direction and control of the Secretary of Commerce.

"SEC. 2. Transfer of certain functions of Federal Works Administrator: All functions of the Federal Works Administrator with respect to the agency and functions transferred by the provisions of section 1 hereof are hereby transferred to the Secretary of Commerce and shall be performed by the Secretary or, subject to his direction and control, by such officers, employees, and agencies of the Department of Commerce as the Secretary shall designate."

Subsequent to the transmittal to Congress of Reorganization Plan No. 7 the Federal Property and Administrative Services Act of 1949 (Public Law 152) was approved by the President on June 30, 1949. This act, among other things, abolished the Federal Works Agency and the office of Federal Works Administrator and transferred all the functions thereof to the Administrator of General Services, created by the act; and also transferred to the General Services Administration the Public Roads Administration and provided that it should hereafter be known as the Bureau of Public Roads.

It will thus be seen that Reorganization Plan No. 7 seeks to transfer from a nonexistent agency (the Federal Works Agency) another nonexistent agency (the Public Roads Administration); and, as noted above, in the case of the Federal Works Agency, the nonexistence results not merely from a change in name but from statutory abolition of the Agency.

I suppose it could be argued that despite the intervening circumstances it was the ultimate purpose of Reorganization Plan No. 7 to transfer the agency in question, by whatever name called, to the Department of Commerce, and that this purpose should be given effect. And perhaps anticipating the unsatisfactory status of the reorganization plan in the light of the then pending Federal Property and Administrative Services Act of 1949, section 4 of the reorganization plan provides as follows:

"Sec. 4. Effect of reorganization plan: The provisions of this reorganization plan shall become effective notwithstanding the status of the Public Roads Administration within the Federal Works Agency or within any other agency immediately prior to the effective date of this reorganization plan."

It appears to me that in everyday language this section is attempting to say that the reorganization plan will be given effect no matter what the status of the then Public Roads Administration may be immediately prior to the effective date of the reorganization plan. If this be the effect of section 4 of the plan, and I see no other reason for the inclusion therein of the section, I doubt if it accomplishes the purpose, even assuming that Congress should allow the 60-day period to expire without taking any action with respect to Reorganization Plan No. 7. In this connection attention is called to section 9 (a) (1) of the Reorganization Act of 1949, which reads as follows:

"(1) Any statute enacted, and any regulation or other action made, prescribed, issued, granted, or performed in respect of or by any agency or function affected by a reorganization under the provisions of this act, before the effective date of such reorganization, shall, except to the extent rescinded, modified, superseded, or made inapplicable by or under authority of law or by the abolition of a function, have the same effect as if such reorganization had not been made; but where any such statute, regulation, or other action has vested the functions in the agency from which it is removed under the plan, such function shall, insofar as it is to be exercised after the plan becomes effective, be considered as vested in the agency under which the function is placed by the plan."

While this provision is hedged about by a great deal of verbiage it would appear that it was designed to anticipate the case where, following the submission of a reorganization plan, Congress acted with respect to the agency or function affected in a manner inconsistent with the plan, and to make certain that in that situation the statute would have the same effect as if the reorganization had not been made. There is one qualification to that general statement, however, which is found in the matter following the semicolon in the provision quoted. It states in substance that where the statute has vested the function in the agency from which it is removed under the plan such function shall, insofar as it is to be exercised after the plan becomes effective, be considered as vested in the agency under which the function is placed by the plan. Obviously this has no application to Reorganization Plan No. 7 because the statute (Public Law 152) did not vest the function in the agency from which it is removed under the plan.

From the foregoing it is my opinion that Reorganization Plan No. 7 will not take effect upon the expiration of 60 days following its submission. It is further my opinion that in any event, in the extremely confused situation, clarifying action should be taken either by the Congress or by the Executive.

Respectfully,

CHARLES F. BOOTS,
Assistant Counsel.

In view of the necessity for the Senate to take affirmative action on this resolution before midnight, August 19, 1949, the committee does not have sufficient time to hold adequate hearings on Senate Resolution 155, and, therefore, in view of the preamble to the resolution which raises certain questions of legality, the committee feels it should report the resolution to the Senate immediately, which it does without recommendation.

C

81ST CONGRESS
1ST SESSION

S. RES. 155

[Report No. 927]

IN THE SENATE OF THE UNITED STATES

AUGUST 15 (legislative day, JUNE 2), 1949

Mr. HAYDEN submitted the following resolution; which was referred to the Committee on Expenditures in the Executive Departments

AUGUST 16 (legislative day, JUNE 2), 1949

Reported by Mr. McCLELLAN, without amendment and without recommendation

RESOLUTION

Whereas Reorganization Plan Numbered 7 of 1949, transmitted to Congress on June 20, 1949, provided for the transfer of the Public Roads Administration to the Department of Commerce; and

Whereas there was subsequently enacted the Federal Property and Administrative Services Act of 1949 (Public Law 152), approved June 30, 1949, which abolished the Federal Works Agency and transferred all of its functions to the Administrator of General Services, and which changed the name of the Public Roads Administration to the Bureau of Public Roads and transferred all of its functions to the Administrator of General Services; and

Whereas Reorganization Plan Numbered 7 thus purports to affect agencies which do not in fact exist; and

Whereas section 9 (a) (1) of the Reorganization Act of 1949 (Public Law 109) provides, in substance, that any statute enacted in respect of any agency or function affected by a

reorganization plan, before the effective date of such reorganization, shall have the same effect as if such reorganization had not been made; and

Whereas all doubt should be removed as to whether the above-cited statute has made such reorganization plan ineffective:
Now, therefore, be it

1 *Resolved*, That the Senate does not favor the Reorgan-
2 ization Plan Numbered 7 transmitted to Congress by the
3 President on June 20, 1949.

81ST CONGRESS
1ST SESSION

S. RES. 155

[Report No. 927]

RESOLUTION

Disapproving Reorganization Plan Numbered 7
of 1949.

By Mr. HAYDEN

AUGUST 15 (legislative day, JUNE 2), 1949
Referred to the Committee on Expenditures in the
Executive Departments

AUGUST 16 (legislative day, JUNE 2), 1949
Reported without amendment and without
recommendation

Mr. THOMAS of Oklahoma. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. ELLENDER, Mr. HOLLAND, Mr. GILLETTE, Mr. AIKEN, and Mr. THYE conferees on the part of the Senate.

AMENDMENT OF COTTON AND WHEAT MARKETING QUOTA PROVISIONS OF AGRICULTURAL ADJUSTMENT ACT—CONFERENCE REPORT

Mr. THOMAS of Oklahoma. Mr. President, I submit a conference report on Senate bill 1962, to amend the cotton and wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The report was read.

(For conference report, see House proceedings of Thursday, August 11, 1949, pp. 11540-11543.)

The VICE PRESIDENT. Is there objection to the present consideration of the conference report?

There being no objection, the report was considered and agreed to.

REORGANIZATION PLAN NO. 7—LETTER FROM DIRECTOR OF THE BUDGET AND OPINION OF THE ACTING ATTORNEY GENERAL

The VICE PRESIDENT. The Chair has received a letter from the Director of the Budget, Mr. Pace, accompanying an opinion by Acting Attorney General Peyton Ford, on Reorganization Plan No. 7. The Chair would like to have Mr. Pace's letter read, and asks unanimous consent that the opinion of the Acting Attorney General be printed in the RECORD, for the information of the Senate.

The legislative clerk read as follows:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., August 16, 1949.
HON. ALBEN W. BARKLEY,
President of the Senate,
Washington, D. C.

MY DEAR MR. PRESIDENT: With reference to S. Res. 155 introduced by Senator HAYDEN on August 15, 1949, relative to Reorganization Plan No. 7, now under consideration in the Congress, I would like to advise you that under date of June 20, 1949, the President was advised by the Attorney General that Reorganization Plan No. 7 met with his approval as to form and legality and complied with the provisions of the Reorganization Act of 1949.

The President's attention was called to opposition to plan No. 7 on the grounds referred to in Senate Resolution 155 and he requested a further expression of views from the Department of Justice. In reply the Acting Attorney General transmitted to the President on August 13, 1949, a formal opinion reiterating the view of the Department of Justice that Reorganization Plan No. 7 was in every respect in compliance with the provisions of the Reorganization Act of 1949 and would become effective according to its terms.

With the approval of the President, I am transmitting herewith a copy of the opinion of the Acting Attorney General so that it may be available for consideration by the

Congress. To this end may I respectfully request that the opinion be placed in the CONGRESSIONAL RECORD.

Sincerely yours,

FRANK PACE, JR.,
Director.

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

AUGUST 13, 1949.

The PRESIDENT,
The White House.

MY DEAR MR. PRESIDENT: You have asked my views as to whether the enactment of the Federal Property and Administrative Services Act of 1949, Public Law 152, Eighty-first Congress, approved June 30, 1949, has affected the validity or effectiveness of Reorganization Plan No. 7 of 1949.

The reorganization plan was transmitted to the Congress on June 20, 1949, pursuant to the provisions of the Reorganization Act of 1949 approved the same date. The plan, in brief, transfers the Public Roads Administration, together with its functions, from the Federal Works Agency to the Department of Commerce. At the time the plan was submitted to the Congress, the bill which became the Federal Property and Administrative Services Act of 1949 had been passed by the House of Representatives, had been unanimously approved by the Senate Committee on Expenditures in the Executive Departments, and was awaiting final action on the floor of the Senate. That act transfers to the General Services Administration the functions of the Federal Works Agency, including "the Public Roads Administration, which shall hereafter be known as the Bureau of Public Roads." (Sec. 103 (a).)

In your message transmitting the plan, you adverted to the fact that the pending Federal property bill provided a different disposition of the Public Roads Administration from that provided in the plan. To carry out your intention that the Public Roads Administration should be in the Department of Commerce, you specifically provided in section 4 of the plan that, "The provisions of this reorganization plan shall become effective notwithstanding the status of the Public Roads Administration within the Federal Works Agency or within any other agency immediately prior to the effective date of this reorganization plan." The reasons for including this provision in the plan were stated in your message transmitting the plan, as follows:

"In establishing the General Services Administration the Federal Property and Administrative Services bill transfers to the Administration all of the functions and units of the Federal Works Agency. Part of these functions relating to the housing of the governmental establishment clearly fall within the purpose of such an administration. Certain other functions of the Federal Works Agency, however, bear very little real relation to the objectives of the General Services Administration. The congressional committees which have dealt with the bill have frankly indicated that further consideration must be given to the proper location of some of the programs of the Federal Works Agency. The sooner these unrelated programs can be removed from the new agency, the sooner it can concentrate its efforts upon improving administrative services throughout the executive branch and make the contribution to governmental efficiency for which it has been designed.

"Principal among the programs of the Federal Works Agency which are unrelated to the General Services Administration are those of the Public Roads Administration. This agency is primarily engaged in the administration of Federal grants to States for highway purposes rather than in the performance of services for other Federal agencies. Its functions, therefore, do not fall within the field of activities of the General

Services Administration. Their inclusion cannot but complicate and impede the development of the General Services Administration in the performance of its intended purpose. This reorganization plan will eliminate such a difficulty.

"Since the Public Roads Administration will be transferred bodily from one major agency to another, it is not to be expected that this reorganization will directly result in any appreciable reduction in its expenditures at this time. However, the plan will make for better organization and direction of Federal programs relating to transportation. Assuming the early enactment of the Federal Property and Administrative Services bill, the plan will also materially simplify the development of the proposed General Services Administration and thereby facilitate improvements in the efficiency of administrative services throughout the Government."

Reorganization Plan No. 7 was thus drawn in contemplation of the fact that the Federal Property Act would probably be enacted at some stage during the 60-day waiting period. After careful consideration in the Department of Justice as to compliance of the plan with every provision of the Reorganization Act of 1949, the plan was approved as to form and legality. It was and is the considered opinion of this department that the plan is valid and will take effect according to its terms.

It has been suggested, however, that plan No. 7 will not take effect upon the expiration of 60 days following its submission. After careful study, the Department of Justice remains of its previous opinion, i. e., that the plan is valid and will take effect.

The objection has been raised that during the 60-day waiting period the Federal Works Agency went out of existence, and therefore that the plan seeks to transfer from a non-existent agency, the Federal Works Agency, another nonexistent agency, the Public Roads Administration.

The assumption appears to be that by reason of the abolition of the Federal Works Agency nothing remains upon which the President can exercise his power of reorganization. This assumption is untenable. The Reorganization Act of 1949, as was the case with previous reorganization acts, deals primarily with functions and only secondarily with the transfer or abolition of agencies. What is contemplated by Reorganization Plan No. 7 is the transfer of certain functions which at all times have remained in existence; functions which were not in their substance affected by the enactment of the Property Act of 1949. Plan No. 7 calls for the transfer of public roads functions to the Department of Commerce. That is a result which can actually and legally be achieved despite the enactment of the Federal Property Act.

A second objection to plan No. 7 which has been raised is based on an interpretation of the provisions of section 9 (a) (1) of the Reorganization Act of 1949 to the effect that that section was designed to anticipate the case where, following the submission of a reorganization plan, the Congress acted with respect to the agency or function affected in a manner inconsistent with the plan, and to make certain that in that situation the statute would have the same effect as if the reorganization had not been made. Obviously, however, this is a misconstruction of section 9 (a) (1). That section provides:

"Any statute enacted, and any regulation or other action made, prescribed, issued, granted, or performed in respect of or by any agency or function affected by a reorganization under the provisions of this act, before the effective date of such reorganization, shall, except to the extent rescinded, modified, superseded, or made inapplicable by or under authority of law or by the abolition of a function, have the same effect as if such

reorganization had not been made; but where any such statute, regulation, or other action has vested the function in the agency from which it is removed under the plan, such function shall, insofar as it is to be exercised after the plan becomes effective, be considered as vested in the agency under which the function is placed by the plan."

Section 9 (a) (1) is clearly intended as a saving provision, designed to keep substantive authority and functions alive despite the fact that the power to exercise such authority or functions is transferred by reorganization plan. Compare, for example, section 305 (a) of the National Security Act of 1947.

It should be noted further that even if section 9 (a) (1) were to be interpreted as dealing with legislation passed between the time a plan is submitted and the time it becomes effective, the second clause of that section would in any event permit a reorganization plan to take effect where the intervening statute "has vested the function in the agency from which it is removed under the plan." In other words, with reference to the situation presently presented by plan No. 7, the second clause of section 9 (a) (1) would, in substance, read as follows:

"Where any such statute [enacted before the effective date of a reorganization plan, i. e., in this instance the Federal Property and Administrative Services Act of 1949] * * * has vested the function in the agency from which it is removed under the plan [i. e., the General Services Administration], such function shall, insofar as it is to be exercised after the plan becomes effective, be considered as vested in the agency [i. e., the Department of Commerce] under which the function is placed by the plan."

As stated above, plan No. 7 provides for the transfer of the public-roads functions to the Department of Commerce and specifically provides that the provisions of the plan shall become effective notwithstanding the status of the Public Roads Administration within the Federal Works Agency or within any other agency immediately prior to the effective date of the plan. In addition, as stated above, your message transmitting the plan clearly set forth the relationship of the plan to the pending Federal property bill and the intention of the plan to effect the transfer of public-roads functions to the Department of Commerce from the General Services Administration in the event the Federal property bill was enacted before the plan became effective.

Plan No. 7, and the message by which it was transmitted to the Congress, must, of course, be read together. Under the Reorganization Act of 1949 the President is required to prepare and transmit a message with respect to each reorganization plan submitted. The message transmitting the plan must be considered an integral part thereof. Reading plan No. 7 and the message together, there can be no question but that the plan transfers the public-roads functions from the General Services Administration to the Department of Commerce.

It has been noted that the second clause of section 9 (a) (1) of the Reorganization Act of 1949 affords strong support for the validity of Reorganization Plan No. 7. Moreover, no provision of the 1949 act has been or can be cited as directly forbidding the type of reorganization proposal which is contained in plan No. 7. The Reorganization Act of 1949 was intended to be a very broad grant of power to the Executive—much broader than had previously been granted by the Congress in the 1945 act. This was in fact requested in your message of January 17, 1949, in which you asked the Congress to pass legislation containing the necessary authority for broad reorganization of the executive branch.

S. 526, which became the Reorganization Act of 1949, was presented to the Senate by Senator McCLELLAN with the statement that it was designed to provide broader power to the President than had the 1945 act. Senator McCLELLAN caused to be printed in the CONGRESSIONAL RECORD a comparison of the provisions of the bill with the 1945 act (CONGRESSIONAL RECORD for January 17, 1949, pp. 311-315). From this comparison it appears that one of the principal changes effected by the 1949 act was the omission of section 5 (e) of the Reorganization Act of 1945, which imposed an important limitation upon the President's power to reorganize. Section 5 (e) of the 1945 act provided:

"If, since January 1, 1945, Congress has by law established the status of any agency in relation to other agencies or transferred any function to any agency, no reorganization plan shall provide for, and no reorganization under this act shall have the effect of, changing the status of such agency in relation to other agencies or of abolishing any such transferred function or providing for its exercise by or under the supervision of any other agency."

This section in the 1945 act clearly restricted the power of the President to submit a plan which would have the effect of undoing recent congressional action, including congressional action taken between the time of submission of a reorganization plan and the time of its taking effect. Parenthetically it may be noted that the 1945 act also contained a section almost exactly similar to section 9 (a) (1) of the 1949 act—proving that that section could not have been intended to have the effect of interfering with the operation of a plan due to the passage of intervening legislation, as has been asserted, since the submission of a conflicting plan would have been forbidden under the 1945 act by section 5 (e).

The Reorganization Act of 1949 contains no such restriction upon the power of the President as was contained in section 5 (e) of the 1945 act. The fact that the Congress omitted this prohibition from the 1949 act is clear indication of its intention to leave the President free to reorganize the executive branch of the Government regardless of legislation enacted prior to the taking effect of a reorganization plan.

There can be no question, therefore, that the day after signing the Federal Property Act of 1949 you could have submitted a reorganization plan undoing the transfers effected by that act, and the Congress would then have had 60 days within which to consider whether or not to disapprove such a proposal. This being so, the only question raised in the present situation is whether the Reorganization Act of 1949 contains any restriction upon the authority of the President to reorganize the executive branch which would prevent his anticipating the passage of legislation then pending in the Congress and submitting a plan providing for the achievement of a particular transfer 60 days later regardless of the passage in the interim of the pending legislation having a different effect. An examination of the 1949 act discloses no such restriction.

To reach a result adverse to the effectiveness of Reorganization Plan No. 7 we would have to conclude that the action of the Congress in passing the Federal Property Act of 1949 in effect repealed the authority given to the President under the Reorganization Act. Implied repeals are, of course, not favored. Nor is there anything to indicate that such a repeal was intended by the Congress. Compare Public Law 216, Eighty-first Congress, approved August 10, 1949.

Reorganization Plan No. 7 was in fact pending before final action was taken by the Congress on the Federal Property Act. When you approved the Property Act you did so

after having fully disclosed, in Reorganization Plan No. 7, your intention that the functions of the Public Roads Administration should ultimately be vested in the Department of Commerce. If the Congress disagrees with this result, it possesses power to express its views under the provisions of the Reorganization Act of 1949.

Respectfully yours,

PYTON FORD,
Acting Attorney General.

REORGANIZATION PLAN NO. 2

Mr. LUCAS. Mr. President, on yesterday and on a previous occasion the Senator from Illinois discussed Reorganization Plan 2, which has been reported adversely by the Committee on Expenditures in the Executive Departments. I advised the Senate that as soon as the Senate disposed of the resolution dealing with the Reorganization Plan No. 1, we would then proceed immediately to consider the resolution dealing with Reorganization Plan No. 2. It was the understanding on last evening that after the Senate had voted today we would take a recess until tomorrow.

I have discussed the question of limitation of debate upon Reorganization Plan No. 2 with the Senator from Nebraska [Mr. WHERRY], the minority leader, and with other Senators. They have agreed that we can limit the time of debate to 4 o'clock by meeting tomorrow at 11 o'clock in the morning. I shall place a unanimous-consent request before the Senate, and I trust that all Senators will cooperate with me in this request.

Mr. President, I ask unanimous consent that on Wednesday, August 17, 1949, at the hour of 4 o'clock p. m., the Senate proceed to vote, without further debate, upon Senate Resolution 151 disapproving Reorganization Plan No. 2, the time to be equally divided between the distinguished Senator from Arkansas [Mr. McCLELLAN] and the distinguished Senator from Minnesota [Mr. HUMPHREY].

The VICE PRESIDENT. Is there objection?

Mr. WHERRY. Mr. President, will the majority leader yield?

Mr. LUCAS. I yield.

Mr. WHERRY. Would the Senator from Illinois again restate the hour at which the vote is to be taken? It is very difficult to hear in this Chamber.

Mr. LUCAS. I regret that I did not speak more clearly. The request is that on Wednesday, August 17, 1949, at the hour of 4 o'clock, the Senate proceed to vote, without further debate, upon Senate Resolution 151.

Mr. McCLELLAN. Mr. President, reserving the right to object, and I shall not object if that time is generally satisfactory to other Senators. I will say that I know of no great number of Senators who desire to speak on Reorganization Plan No. 2. I wonder if we can enter into another unanimous consent that immediately after the vote is taken on Reorganization Plan No. 2, the Senate begin consideration of the resolution dealing with Reorganization Plan No. 7, Senate Resolution 155, disapproving of plan No. 7, and that a vote be taken, let us say, at 6:30 tomorrow, so we may dispose of both matters tomorrow. I merely make that suggestion. Does the

Senator from Arizona [Mr. HAYDEN] agree to that suggestion?

Mr. HAYDEN. I do not believe more than 1 hour would be required to discuss Reorganization Plan No. 7. It involves purely a legal question. I believe it could be voted on 1 hour after the vote is completed on Reorganization Plan No. 2.

Mr. LUCAS. Mr. President, I should like to secure consent to the first unanimous-consent request if possible, and then I shall make the second request.

The VICE PRESIDENT. Is there objection to the unanimous consent request made by the Senator from Illinois?

Mr. WHERRY. Mr. President, reserving the right to object, I thought that the hour of 4 o'clock would be satisfactory, and I informed the distinguished majority leader that I felt it would be agreeable. However, it has developed that 5 o'clock would be much better. I am wondering if it would involve too much inconvenience to change the hour to 5 o'clock.

Mr. LUCAS. If objection is to be made, the Senator from Illinois will have to accede to the hour of 5 o'clock.

Mr. WHERRY. I would like very much to have the Senator do so.

Mr. LUCAS. Let us make it 4:30. Perhaps that will accommodate some Senators.

Mr. WHERRY. Five o'clock is really the best time. I want to cooperate with the Senator. The Senator knows that.

Mr. LUCAS. The Senator has been very cooperative.

Mr. WHERRY. If the Senator will make the hour 5 o'clock, I know that it will be satisfactory to everyone.

Mr. LUCAS. Mr. President, I modify my request accordingly.

The VICE PRESIDENT. Is there objection to the modified request? The Chair hears none, and it is so ordered.

REORGANIZATION PLAN NO. 7 OF 1949

Mr. LUCAS. Mr. President, in view of the discussion in connection with the previous unanimous-consent request, I make another unanimous-consent request, as follows:

I ask unanimous consent that on Wednesday, August 17, 1949, 1 hour after the vote is taken upon Senate Resolution 151, the Senate then proceed to vote without further debate upon Senate Resolution No. 155, disapproving Reorganization Plan No. 7 of 1949, the time to be equally divided between the Senator from Arizona [Mr. HAYDEN] and the Senator from Arkansas [Mr. McCLELLAN].

The VICE PRESIDENT. Is there objection?

Mr. WHERRY. Mr. President, the time was also divided in connection with the previous unanimous-consent request, was it not?

Mr. LUCAS. Yes.

The VICE PRESIDENT. The law provides for a division of the time.

Mr. WHERRY. I have no objection.

The VICE PRESIDENT. Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered.

PROGRAM FOR CONSIDERATION OF EXECUTIVE NOMINATIONS

Mr. LUCAS. Mr. President, I make this announcement so that all Senators may know that following the vote upon the two reorganization plans, we expect to move to consider executive business and take up the nomination of Mr. Clark, who has been appointed Associate Justice of the Supreme Court, and the nomination of the Senator from Rhode Island [Mr. McGRATH], who has been appointed Attorney General.

Mr. WHERRY. Mr. President, will the distinguished majority leader tell us now whether or not he intends to keep the Senate in session after the Executive Calendar is taken up, until those nominations are disposed of, or whether he intends to take a recess until the next day?

Mr. LUCAS. I hope to be able to conclude consideration of the two nominations, if possible.

Mr. WHERRY. It will be 6 o'clock or after when the vote is taken on the resolution relating to Reorganization Plan No. 7.

Mr. LUCAS. I understand that the Senator from Michigan [Mr. FERGUSON] is the only Senator who intends to speak against Mr. Clark. May I inquire from the able Senator from Michigan how long he expects to discuss the nomination?

Mr. FERGUSON. About 2 hours.

Mr. WHERRY. In view of the fact that we will dispose of debate on the two resolutions, winding up at 6 o'clock, with a vote which will come after 6 o'clock, really, I ask the distinguished majority leader if he does not feel it would be wise to take a recess until the next day.

Mr. LUCAS. I do not wish to say at this time. I should like to think over that suggestion. We have a great deal to do, and I think we should stay here tomorrow night for a couple of hours and complete the consideration of the nominations of Mr. Clark and Mr. McGRATH. We may be able to take an hour for dinner. However, these are extremely important nominations.

Mr. WHERRY. One further observation. I agree with the distinguished majority leader. If that is the position he is going to take, if he will make the announcement that we shall have a recess from 6 until 7 for dinner, starting at 7 o'clock and finishing consideration of the nominations, that will be agreeable to us.

The VICE PRESIDENT. All the unanimous requests have thus far been agreed to.

Mr. LUCAS. Mr. President, in order that all Senators may know, I think it is probably the better part of wisdom to advise Senators now that we expect to proceed with the nominations of Mr. Clark and Mr. McGRATH following the disposition of the resolution relating to Reorganization Plan No. 7, with respect to which we have an agreement. Unanimous consent will be requested tomorrow with respect to an hour for dinner.

Mr. MAGNUSON. Mr. President, will the Senator yield for a question?

Mr. LUCAS. I yield to the Senator from Washington.

Mr. MAGNUSON. On the Executive Calendar there are five treaties. Three of them relate to fisheries. The time is running out. They are very important. One of them is the tuna convention. Another is the treaty with Costa Rica. The fishing season is about to begin. I am wondering if tomorrow night, after consideration of the nominations has been completed, we could consider these treaties. I understand there will be no opposition to the three treaties to which I have referred.

Mr. LUCAS. If there is no opposition to them, we can put them through now.

Mr. MAGNUSON. I have heard of none. They are unanimously reported from the Committee on Foreign Relations. They have been on the calendar for some time, and time is running out.

Mr. KNOWLAND. Mr. President, I join with the Senator from Washington in urging that time be found for the consideration of the treaties to which he has referred. I understand that they have been unanimously reported from the Committee on Foreign Relations.

Mr. LUCAS. I think we can reach an agreement.

GEN. JOSEPH LAWTON COLLINS, UNITED STATES ARMY

Mr. ELLENDER. Mr. President, the nomination and confirmation of General J. Lawton Collins to be Chief of Staff of the Army is a fitting honor and reward for a great wartime fighting soldier. He is a worthy successor to those great Chiefs of Staff under whom World War II was fought and its tremendous postwar burdens borne.

There are, to my mind, three things that characterize the brilliant war record of this outstanding soldier. First, he was one of comparatively few who served in both the Pacific and European theaters of war. Prior to his participation in the seizure of Utah Beach in Normandy on D-day, June 6, 1944, he had served on Guadalcanal in the Solomon Islands of the Pacific, taking over from the heroic First Marine Division, and continuing the fighting until the power of the enemy on Guadalcanal was broken.

Second, as Commander of the VII Corps, he led the striking spearhead of the First Army through Saint Lo to the capture of Aachen, the fighting in the Ardennes, and the final link-up with Russian forces on the Elbe River.

Third, although his fighting qualities of courage, speed, and determination have caused him to be known as "Lightning Joe" to the men he led, he at the same time exhibited those human qualities of leadership that endeared him to his men. It was not rarely, but frequently, that he visited his front lines to find out for himself the conditions his men were facing, and to give his men opportunity to see that he was always concerned for their interests.

I am proud to say that General Collins comes from Louisiana. He is the son of Jeremiah Bernard Collins who was born in Ireland and settled in New Orleans

in 1877. An uncle of General Collins was Peter Lawton, a prominent and beloved gentleman of that same city. Another uncle, the late Martin Behrman, was mayor of New Orleans. The people of Louisiana joins me in congratulating him on his latest success, with the same enthusiasm with which they accorded him a hero's welcome in New Orleans, when in October 1945 they celebrated a Joseph Collins Day.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a biography of General Collins, compiled with the assistance of the Department of the Army.

There being no objection, the biography was ordered to be printed in the RECORD, as follows:

GEN. JOSEPH LAWTON COLLINS, UNITED STATES ARMY, OS247

J. Lawton Collins was born in New Orleans, La., on May 1, 1896. He was the tenth of 11 children, all of whom were born in New Orleans. His father, Jeremiah Bernard Collins, left County Cork, Ireland, at the age of 12 and settled in Cincinnati, Ohio. When still a mere boy, at the age of 16, he joined the Union Army, in which he served as a drummer boy for 6 months, until the end of the war. In 1877 he went to work in New Orleans, where he met and later married Catherine Lawton.

General Collins went to elementary and high school in New Orleans. It was at Warren Easton High School that he won a scholarship to Louisiana State University, which he attended for 1 year prior to his entering West Point.

As a boy he gave early indications of the traits which were later to make him famous. He was well known for his physical and moral courage. Among his varied interests were good reading, nature, and music.

His interest in the military and his desire to go to West Point stemmed from his father and particularly from his brother, James Lawton Collins, who had graduated from West Point in 1907 and who, at this critical period of young Joseph's life, was serving as aide to General Pershing in the Philippines. When the family received word from the War Department that young Collins had been selected to enter West Point in the next class they wired this brother in the Philippines for advice. He recommended that his young brother of 17 accept the opportunity, which he did, entering the Academy in 1913 as the "baby" of his class. This brother, James, now retired, served 11 years with General Pershing and rose to the rank of major general.

His typical characteristics while at West Point are described in the Howitzer (year book) as first: Concentration and decision; second, rapid and hearty action. He was graduated from West Point and was commissioned a second lieutenant of infantry on April 20, 1917.

His first assignment was to the Twenty-second Infantry at Fort Hamilton, N. Y., where he served until January 1918. He next was sent to the Infantry School of Arms which was then at Fort Sill, Okla., and following graduation had tours of 2 months each at Greenpoint, Brooklyn, N. Y., and at Gloucester, N. J., until June 1918, when he returned to Fort Hamilton as supply officer of the Twenty-second Infantry. From July until November 1918, he was an inspector at Syracuse Recruit Camp, New York. Returning to the Twenty-second Infantry he served at Fort Hamilton and at Fort Jay, Governors Island, N. Y., until May 1919.

Promotions came rapidly during this initial period of service. He was promoted to first lieutenant on May 15, 1917; to captain (temporary) on August 5, 1917; and to major (temporary) on September 9, 1918. He sailed

for France in May 1919, and commanded a battalion of the Eighteenth Infantry at Coblenz, Germany, until August 1919. With components of the Eighth Infantry he served at Montabaur and Selters, Germany, and in June 1920, was made Assistant Chief of Staff, Plans and Training Division, with the American Forces in Germany, serving in this capacity until he sailed for the United States in July 1921. He was promoted to captain (permanent) on June 25, 1919, and reverted to that permanent rank on March 10, 1920. It was in Coblenz, Germany, that he married Gladys Easterbrook, the daughter of an Army Chaplain, on July 15, 1921. They were married in the Garden of the Kaiser.

For the next four years, until June 1925, he served at West Point as an instructor in chemistry. From there he went as a student to the Infantry School, at Fort Benning, from which he was graduated in July 1926. Then to another school, this time the Field Artillery School at Fort Sill, Okla., where he was graduated from the advanced course in June 1927. He then returned to the Infantry School as an instructor, where he remained until August 1931.

He was selected for and attended the two-year course at the Command and General Staff School at Fort Leavenworth, Kans., from which he was graduated in June 1933. While at Leavenworth he received his promotion to Major, on August 1, 1932.

Following graduation, he was transferred to the Philippine Islands for duty with the Twenty-third Brigade (Philippine Scouts) at Fort William McKinley. He later became Assistant Chief of Staff for Military Intelligence in the Philippine Division.

He returned to the United States in June 1936 to attend the Army Industrial College, from which he was graduated in 1937. Next he attended the Army War College. On his graduation in June 1938, he was retained there as an instructor. While there, he assumed additional duties in the Office of the Secretary, War Department, General Staff, Washington, D. C. A promotion to lieutenant colonel came on June 25, 1940, and one to colonel (temporary) on January 13, 1941.

In January 1941 he was assigned to duty as Chief of Staff of the newly organized VII Army Corps, which had its headquarters at Fort McClellan, Ala. The station of the Seventh Army Corps was changed to Birmingham, Ala., in January 1941.

Immediately following Pearl Harbor, General Collins was designated as Chief of Staff to General Delos C. Emmons and flew with him to Hawaii. As chief of staff he assisted in the reorganization of the defenses of the Hawaiian Islands until he was made commanding general of the Twenty-fifth Infantry Division in May 1942. He was rewarded with a brigadier general's star on February 14, 1942. He was further rewarded for his exceptional work during this period by the Distinguished Service Medal, with the following citation:

"J. Lawton Collins, major general, United States Army. For exceptionally meritorious service in a position of great responsibility. As Chief of Staff of the Hawaiian Department during the period December 17, 1941, to May 8, 1942, he revised and amplified the defensive plans of the entire Department and actively supervised the disposition of troops and changes in fortifications. Throughout this period he displayed outstanding leadership, keen intelligence, broad tactical knowledge and unusual energy and contributed greatly to the sound plan of ground defenses of the Hawaiian Department."

For the first six months after he got the Twenty-fifth Division, he commanded the south sector of the island of Oahu, including the city of Honolulu and Pearl Harbor.

In December 1942, General Collins took the Twenty-fifth Infantry Division into Guadalcanal and there relieved the First Marine Di-

vision. He received his second star (temporary) on May 26, 1942.

Early in January 1943 the Twenty-fifth Infantry Division as part of the Fourteenth Corps under Lt. Gen. Alexander M. Patch, let the attack which drove the Japanese off the island. The next several months were spent in occupation of Guadalcanal in preparation for the New Georgia campaign in which the Twenty-fifth Infantry Division assisted in the capture of the Munda Airport. Following the fall of the Munda Airfield, General Collins led his division in clearing up the remainder of the island of New Georgia while elements of the division captured Valla Lavella.

General Collins' outstanding service during this period is best described by the citations accompanying his decorations:

March 1943. Silver Star: "For gallantry in action on January 11, 1943 at Guadalcanal. To visit the command post of an infantry battalion of the division commanded by him, General Collins walked through some 800 yards of recently captured ground infested with enemy snipers. Upon arriving on Hill 52 to gain better points of observation, he voluntarily exposed himself to intermittent rifle, machine gun and mortar fire without regard for his own personal safety. From there he located an enemy machine-gun nest and personally assisted in placing mortar fire on it and on other areas likely to be occupied by the enemy while bursts of enemy machine gun fire hit many times, but three yards away. His calmness and fearlessness under fire was an inspiration to the officers and men of the infantry regiment in that sector. His example and the word of praise and encouragement with which he continually encouraged the men in the forward unit spurred them on and contributed materially to the success of the offensive operation."

April 1943. Oak Leaf Cluster for Distinguished Service Medal: "For exceptionally meritorious service to the Government in a duty of great responsibility as Commanding General of an infantry division on Guadalcanal, Solomon Islands, during the period December 17, 1942, to February 9, 1943. General Collins, by his energetic and inspiring leadership and aggressive tactical employment of his division initiated a sustained offensive against the main Japanese force which materially contributed to the final defeat of the enemy on Guadalcanal. His personal courage and repeated presence with forward elements of his division during combat inspired his troops to sustained effort."

September 1943. Legion of Merit: "For exceptionally meritorious conduct in the performance of outstanding services as commanding general of an Infantry division in action against the enemy forces in the Solomon Islands from August 3 to September 5, 1943. Entering the action after a large portion of his division had been committed to combat, General Collins, with excellent military skill and foresight, reorganized his command and initiated an aggressive pursuit of enemy forces disposed to the north of an airfield. Overcoming seemingly unsurmountable logistical and communication obstacles, he rigorously pressed forward over extremely rugged jungle terrain, made junction with friendly forces moving down from the north, and with the combined forces, succeeded in driving the remaining enemy from the island. He then effectively organized the defense of the north coast. His sound tactical judgment, combined with his continued administration of superb and courageous leadership contributed in large measure to the morale and outstanding performance of his troops in combat."

It was on Guadalcanal that he acquired the name, "Lightning Joe."

In December 1943 General Collins was transferred to the European theater where,

Mr. IVES. That is absolutely correct. There can be no argument about it. The fact still remains that, rightly or wrongly, a large portion of the small-business men of the country—I am not talking about the big fellows; I am talking about the little fellows—are definitely worried because they do not know what the attitude of the Department of Labor may be regarding the matter. They feel reasonably certain as to what may happen, so far as the present agency, the Federal Security Agency, is concerned. Perhaps their idea is not justified in either instance, but that is the way they feel.

Mr. MORSE. I have the greatest respect for the opinion of the Senator from New York on all issues, including this one. I completely disagree with him that the argument he has advanced is a good argument for voting against Reorganization Plan No. 2. It is a good argument in favor of the introduction by the Senator from New York of a bill which would meet the problem which concerns him so much. But I respectfully say that he should not oppose Reorganization Plan No. 2, because he fears that, at some time in the future, somebody might do something he wishes the law would make it impossible for him to do.

Mr. IVES. Mr. President, the Senator from New York would like to point out—and this is where the Senator from Oregon does not understand the attitude of the Senator from New York—that the Senator from New York does not have this fear. But the Senator from New York recognizes that the fear does exist, and it should be taken into consideration in this instance.

Mr. MORSE. No; I understand the Senator's argument. I simply do not think it is applicable to Reorganization Plan No. 2. It is applicable to the need for passing a bill which would prevent the accomplishment of the thing feared, which the Senator has pointed out to the Senate.

Mr. IVES. What would prevent the administering agency from withholding administrative funds? That is where he would exercise it.

Mr. MORSE. I understand the Senator's argument. I do not think it is a very good one in opposition to Reorganization Plan No. 2. We have plenty of checks on the use of funds by the Administrator and if he followed the course last suggested by the Senator from New York, I am sure our Appropriations Committee would take the matter up with the Administrator when he next came before the committee for a new appropriation.

TEMPORARY APPROPRIATIONS FOR THE FISCAL YEAR 1950

Mr. McKELLAR. Mr. President, will the Senator from Oregon yield to me for a moment?

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. HUMPHREY. Mr. President, in order to clarify the situation, I believe

the distinguished leader of the opposition to the plan is willing to yield a few minutes to an advocate of it.

Mr. McCLELLAN. Mr. President, if the able Senator from Oregon wishes more time, I am glad to yield time to him.

Mr. MORSE. Then I yield to the Senator from Tennessee.

Mr. McKELLAR. Mr. President, from the Committee on Appropriations, I report favorably, without amendment, House Joint Resolution 339, which has been passed by the House, making temporary appropriations for the fiscal year 1950. The joint resolution would permit the payment of Government employees until September 15. I ask unanimous consent for the immediate consideration of the joint resolution.

The PRESIDING OFFICER. The joint resolution will be read by title, for the information of the Senate.

The CHIEF CLERK. A joint resolution (H. J. Res. 339) amending an act making temporary appropriations for the fiscal year 1950, as amended, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to a third reading, read the third time, and passed.

Mr. McKELLAR. Mr. President, I thank the Senator from Oregon and the Senator from Arkansas very much indeed.

REORGANIZATION PLAN NO. 2, 1949— TRANSFERRING THE BUREAU OF EMPLOYMENT SECURITY

The Senate resumed the consideration of the resolution (S. Res. 151) disapproving Reorganization Plan No. 2 of 1949.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. STENNIS in the chair). As the Chair understands, the Senator from Arkansas has further time at his disposal.

Mr. McCLELLAN. I do not care to take any further time.

The PRESIDING OFFICER. The absence of a quorum is suggested. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Anderson	Graham	Lucas
Baldwin	Green	McCarran
Bricker	Gurney	McCarthy
Bridges	Hayden	McClellan
Byrd	Hendrickson	McFarland
Cain	Hickenlooper	McKellar
Capehart	Hill	McMahon
Chapman	Hoey	Magnuson
Chavez	Holland	Malone
Connally	Humphrey	Martin
Cordon	Hunt	Maybank
Donnell	Ives	Miller
Douglas	Jenner	Millikin
Downey	Johnson, Colo.	Morse
Dulles	Johnson, Tex.	Mundt
Eastland	Johnston, S. C.	Murray
Eaton	Kefauver	Myers
Ellender	Kerr	Neely
Ferguson	Kilgore	O'Connor
Flanders	Knowland	O'Mahoney
Frear	Langer	Robertson
Fulbright	Lodge	Russell
George	Long	Saltonstall
Gillette		Schoeppel

Smith, Maine	Thomas, Okla.	Wherry
Smith, N. J.	Thomas, Utah	Wiley
Sparkman	Thye	Williams
Stennis	Tydings	Withers
Taft	Vandenberg	Young
Taylor	Watkins	

The PRESIDING OFFICER. A quorum is present.

The hour of 5 o'clock having arrived, the Senate will proceed to vote on Senate Resolution 151. The question is on agreeing to the resolution, which reads:

Resolved, That the Senate does not favor the Reorganization Plan No. 2 transmitted to Congress by the President on June 20, 1949.

Mr. HUMPHREY. Mr. President, is it not a fact that a vote "nay" on the resolution is in substance a vote in support of Reorganization Plan No. 2?

The PRESIDING OFFICER. The Senator is correct. The question is on agreeing to the resolution.

Mr. WHERRY. I ask for the yeas and nays.

The yeas and nays were ordered, and the roll was called.

Mr. MYERS. I announce that the Senator from Florida [Mr. PEPPER], who is absent by leave of the Senate on public business, is paired on this vote with the Senator from Kansas [Mr. REED]. If present and voting, the Senator from Florida would vote "nay" and the Senator from Kansas would vote "yea."

I announce further that, if present and voting, the Senator from Rhode Island [Mr. McGRATH], who is absent on public business, would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], who is absent by leave of the Senate, is paired with the Senator from Nebraska [Mr. BUTLER], who is absent by leave of the Senate. If present and voting, the Senator from Vermont would vote "nay" and the Senator from Nebraska would vote "yea."

The Senator from Maine [Mr. BREWSTER] is necessarily absent. The Senator from New Hampshire [Mr. TOBEY] is absent because of illness.

The Senator from Kansas [Mr. REED], who is absent by leave of the Senate, is paired with the Senator from Florida [Mr. PEPPER]. If present and voting, the Senator from Kansas would vote "yea" and the Senator from Florida would vote "nay."

The result was—yeas 32, nays 57, as follows:

YEAS—32		
Bricker	George	Millikin
Bridges	Gurney	Mundt
Byrd	Hendrickson	Robertson
Cain	Hickenlooper	Saltonstall
Capehart	Hoey	Schoeppel
Cordon	Ives	Stennis
Donnell	Jenner	Taft
Dulles	Kem	Vandenberg
Eastland	McCarthy	Wherry
Eaton	McClellan	Wiley
Fulbright	Martin	

NAYS—57		
Anderson	Ferguson	Holland
Baldwin	Flanders	Humphrey
Chapman	Frear	Hunt
Chavez	Gillette	Johnson, Colo.
Connally	Graham	Johnson, Tex.
Douglas	Green	Johnston, S. C.
Downey	Hayden	Kefauver
Ellender	Hill	Kerr

Kilgore	Malone	Smith, N. J.
Knowland	Maybank	Sparkman
Langer	Miller	Taylor
Lodge	Morse	Thomas, Okla.
Long	Murray	Thomas, Utah
Lucas	Myers	Tyde
McCarran	Neely	Tydings
McFarland	O'Connor	Watkins
McKellar	O'Mahoney	Williams
McMahon	Russell	Withers
Magnuson	Smith, Maine	Young

NOT VOTING—7

Alken	McGrath	Tobey
Brewster	Pepper	
Butler	Reed	

The PRESIDING OFFICER. On this question the yeas are 32, the nays are 57, and the resolution is not agreed to, not having received the affirmative vote of a majority of the authorized membership of the Senate.

REORGANIZATION PLAN NO. 7, 1949

The PRESIDING OFFICER. Under the order entered into on yesterday, the Chair lays before the Senate, Senate Resolution 155 disapproving Reorganization Plan No. 7 of 1949.

The Senate proceeded to consider the resolution (S. Res. 155) disapproving Reorganization Plan No. 7 of 1949, which is as follows:

Whereas Reorganization Plan No. 7 of 1949, transmitted to Congress on June 20, 1949, provided for the transfer of the Public Roads Administration to the Department of Commerce; and

Whereas there was subsequently enacted the Federal Property and Administrative Services Act of 1949 (Public Law 152), approved June 30, 1949, which abolished the Federal Works Agency and transferred all of its functions to the Administrator of General Services, and which changed the name of the Public Roads Administration to the Bureau of Public Roads and transferred all of its functions to the Administrator of General Services; and

Whereas Reorganization Plan No. 7 thus purports to affect agencies which do not in fact exist; and

Whereas section 9 (a) (1) of the Reorganization Act of 1949 (Public Law 109) provides, in substance, that any statute enacted in respect of any agency or function affected by a reorganization plan, before the effective date of such reorganization, shall have the same effect as if such reorganization had not been made; and

Whereas all doubt should be removed as to whether the above-cited statute has made such reorganization plan ineffective: Now, therefore, be it

Resolved, That the Senate does not favor the Reorganization Plan No. 7 transmitted to Congress by the President on June 20, 1949.

Mr. WHERRY. Mr. President, it is my understanding that under the unanimous-consent agreement previously entered into, Senate Resolution 155 is now being considered by the Senate. Will the Chair please make a statement respecting the division of time?

The PRESIDING OFFICER. Under the order previously entered into debate is limited to 1 hour. The time is controlled by the Senator from Arizona [Mr. HAYDEN], for the proponents of the resolution, and by the Senator from Arkansas [Mr. McCLELLAN] for the opponents. Under the law the time is equally divided. It is now 12 minutes after 5 o'clock, so debate will continue until 12 minutes after 6.

Mr. HAYDEN. Mr. President, I submitted Senate Resolution 155 because I became firmly convinced that an act of Congress has superseded the reorganization plan, and that if the reorganization plan is not rejected there will be very grave confusion as to the state of the law.

I should like first to discuss the facts. The Congressional Directory shows that each of 27 Members of the Senate has served as governor of his State. I am sure all of them will confirm a statement of facts which I shall now make.

First, that the State highway department is an important, if not the most important public-works agency in any State.

Second, that the 27 Senators are all intimately acquainted with the fact of the close relationship between the Bureau of Public Roads and the State highway departments. That Bureau supervises all the Federal-aid projects in each State. That is to say, if a State submits a Federal-aid project, it must be approved by the Bureau of Public Roads before the work can begin, and then, in order for the State to obtain its share of Federal aid, the Bureau of Public Roads must again approve the construction of the project according to the plans.

Many of the former governors know of their own knowledge that in their States the Bureau of Public Roads actually constructs roads within national parks and in the national forests. They understand, therefore, that it is in truth and in fact a construction agency.

What happened with respect to the particular problem we have before us is this: The Commission on Organization of the Executive Branch of the Government appointed two task forces, one on transportation and one on public works. The task force on transportation recommended a Department of Transportation in the following language:

A Department of Transportation should be established to consolidate Government expenditure, programing, and operating functions into a single executive agency.

Then it recommended that the Office of Highway Transportation be created. This Office should carry out the Federal aid highway program, all Federal highway promotional activities, safety activities involving interstate motor carriers, and the maintenance of a motor vehicle inventory and war requirement estimates.

It further recommended:

(a) Federal aid activities would be transferred from the Public Roads Administration, Federal Works Agency.

The other task force, headed by Robert Moses, of New York, a very eminent engineer, recommended that a Department of Public Works be created, and that the Bureau of Public Roads be transferred to that Department.

The Commission in its report on reorganization of the Department of Commerce, rejected the recommendations of both the above task forces as to the establishment of either a Department of Transportation or a Department of Pub-

lic Works, and instead made the following recommendation as to the Public Roads Administration:

The Public Roads Administration should be transferred from the Federal Works Agency to the Department.

The report in which the foregoing recommendation is made does not contain any specific data in support of the recommendation. I am convinced that it is based upon the fundamental fallacy that the Bureau of Public Roads is a transportation agency rather than a construction agency.

One does not have to look in the dictionary to know that "transportation" means the movement of things from one place to another. They can move by air, they can move by water, they can move over the land. If it were water transportation, a barge carrying goods could be engaged in transportation. If it were desired to regulate the river so that the barge could navigate it during all seasons of the year, the Corps of Engineers could build a great dam at the headwaters and conserve the floods so as to equate the flow or confine it to its banks by levees. But that would be construction. It would not be transportation.

The same is true of the Bureau of Public Roads. It provides a surface over which transportation may be carried, but does not engage in transportation itself. It is an engineering organization which determines what kind of road should be had, where the road should be located, the degree of curvature, the kind of surface, and many kindred questions. That is construction. In my judgment Mr. Moses and his task force were correct in assigning that work to a proposed works agency.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. CORDON. Can the Senator conceive of any activity which is delegated by law to the Department of Commerce, or which is engaged in by the Department of Commerce by virtue of any power delegated to it, which in any wise is so connected with, associated with, or has any relation to the Bureau of Public Roads as to permit of any integration, combination, or cooperation which would make for economy or efficiency in connection with the sort of transfer proposed in this plan?

Mr. HAYDEN. I cannot conceive of any such arrangement having that effect. Furthermore, the message transmitting this plan frankly confesses that it will not result in economy, which is one of the great objectives of the Hoover Commission.

Having this doubt, I asked the Legislative Reference Service of the Senate to look into the law on this question. I have great confidence in that Service. What stuck me more than anything else was Mr. Boots' comment on section 9 of the Reorganization Act. Section 9 (a) (1) of the Reorganization Act of 1949 reads as follows:

(1) Any statute enacted, and any regulation or other action made, prescribed, issued, granted, or performed in respect of or by any

agency or function affected by a reorganization under the provisions of this act, before the effective date of such reorganization, shall, except to the extent rescinded, modified, superseded, or made inapplicable by or under authority of law or by the abolition of a function, have the same effect as if such reorganization had not been made; but where any such statute, regulation, or other action has vested the functions in the agency from which it is removed under the plan, such function shall, insofar as it is to be exercised after the plan becomes effective, be considered as vested in the agency under which the function is placed by the plan.

Mr. Boots' comment is as follows:

While this provision is hedged about by a great deal of verbiage it would appear that it was designed to anticipate the case where, following the submission of a reorganization plan, Congress acted with respect to the agency or function affected in a manner inconsistent with the plan, and to make certain that in that situation the statute would have the same effect as if the reorganization had not been made.

What actually happened was that at the time this reorganization plan was submitted the House of Representatives had passed a bill creating the Federal Property and Administration Services, abolished the Public Works Administration, transferred the Public Roads Administration to the new agency created by law, and changed its name to the Bureau of Public Roads. That is the situation with which we are faced today.

I have very carefully read an opinion by Mr. Peyton Ford, Acting Attorney General, which was printed in the CONGRESSIONAL RECORD of yesterday, and I should like to submit some comments to the 65 lawyers in the Senate, who should be able to pass upon this question.

I have read the opinion of the Acting Attorney General with respect to the validity and effectiveness of Reorganization Plan No. 7 of 1949. It has not changed my opinion that this plan will not take effect upon the expiration of 60 days following its submission.

The Acting Attorney General lays great stress on the references in the President's message to the then pending Federal Property and Administrative Services Act of 1949 and particularly the President's reasons for including in section 4 of the plan the statement that the provisions of this reorganization plan shall become effective notwithstanding the status of the Public Roads Administration within the Federal Works Agency or within any other agency immediately prior to the effective date of this reorganization plan.

Leaving out of consideration the question as to whether Presidential messages make the law, and particularly whether messages transmitting reorganization plans are—as stated by the Acting Attorney General—an integral part of the plan, it would seem that the argument of the Acting Attorney General serves to emphasize the strength of the opposing argument which he is attempting to meet. That is, with the President's plan before it, and in the same document the President's message—although I would not regard it as an integral part thereof—the Congress saw fit to transfer the Public Roads Admin-

istration to an agency wholly different from the agency to which it is transferred under the plan. Every Senator knows that it is an elemental rule of statutory construction that where there is a conflict between two acts of Congress the most recently enacted statute takes precedence. It is so elemental that one Congress cannot bind another Congress that it hardly seems worth mentioning. How, then, can anyone argue that a reorganization plan and its accompanying message transmitted by the President to the Congress can take precedence over a subsequently enacted act of Congress, approved by the President, which is totally inconsistent with such plan?

That is exactly what happened here. The plan was submitted on the 20th of June, and on the 30th of June the new law went into effect.

With reference to the suggestion that the plan seeks to transfer from the non-existent agency, the Federal Works Agency, another nonexistent agency, the Public Roads Administration, the Acting Attorney General suggests that the Reorganization Act deals primarily with functions and only secondarily with the transfer or abolition of agencies, and then goes on to point out that what is contemplated by Reorganization Plan No. 7 is the transfer of certain functions which at all times have remained in existence. I hesitate to say that the Reorganization Act deals only secondarily with the transfer or abolition of agencies. But in any event the fact remains that the plan transmitted to the Congress is not the plan that would be in effect upon the expiration of 60 days if the argument of the Acting Attorney General is correct. A plan to transfer an agency from the Federal Works Agency to the Department of Commerce is not a plan to transfer that agency from the General Services Agency to the Department of Commerce, any general statement in the plan to the contrary notwithstanding. Congress is entitled to 60 days' consideration of any plan transmitted to it, and the same considerations that might move a Member of Congress to favor a plan to transfer the Public Roads Administration from the Federal Works Agency to the Department of Commerce might not be effective with respect to a transfer from the General Services Agency.

I should be interested to know what the conclusion of the Acting Attorney General would be if instead of transferring the Public Roads Administration to the General Services Agency, the statute, Public Law 152, had split the Public Roads Administration and transferred part of it to the General Services Agency, part of it to the Department of the Interior, and part of it to the Department of Commerce. Could it be contended that the general statement in section 4 of the reorganization plan would have the effect of gathering up these component parts of the Public Roads Administration and bringing them together in the Department of Commerce when Congress had clearly indicated that it wanted only one segment of the agency in that department?

The Acting Attorney General refers to the suggestion that section 9 (a) (1) of the Reorganization Act of 1949 prevents the taking effect of Reorganization Plan No. 7 as based on an obvious misconstruction of that section. He points out that section 9 (a) (1) is clearly intended as a saving provision, designed to keep substantive authority and functions alive despite the fact that the power to exercise is transferred by the reorganization plan. Of course, there is no doubt that that was one purpose, perhaps the principal one, of section 9 (a) (1). But stripped of inapplicable language, the provision states unqualifiedly that any statute enacted in respect of any agency or function affected by a reorganization under the provisions of this act, before the effective date of such reorganization, shall have the same effect as if such reorganization had not been made.

In this connection the Acting Attorney General also refers to the so-called Taft amendment—section 5 (e) of the 1945 Reorganization Act—which reads as follows:

(e) If, since January 1, 1945, Congress has by law established the status of any agency in relation to other agencies or transferred any function to any agency, no reorganization plan shall provide for, and no reorganization under this act shall have the effect of, changing the status of such agency in relation to other agencies or of abolishing any such transferred function or providing for its exercise by or under the supervision of any other agency.

He states that this section in the 1945 act clearly restricts the power of the President to submit a plan which would have the effect of undoing recent congressional action and points out that no such provision is contained in the Reorganization Act of 1949. Of course, a reading of section 5 (e) indicates that it has much broader application than the Acting Attorney General intimates. The 1945 act was approved December 20, 1945; and thus section 5 (e) would prevent the President from changing the status of any agency if since January 1, 1945, Congress had established the status of that agency with relation to other agencies or transferred any function to any agency. Moreover, this section was inserted on the floor of the Senate, and I do not recall that the question as to whether it might cover a part of the field encompassed in section 9 (a) (1) of the 1949 act was analyzed or even debated. The 1945 act contained a similar provision.

The opinion under consideration also suggests that to reach a result adverse to the effectiveness of Reorganization Plan No. 7 would require a conclusion that the action of Congress in passing the Federal Property Act of 1949, in effect repealed the authority given to the President under the Reorganization Act, and suggests that implied repeals are not favored. However, on the other side of the picture, to reach a contrary conclusion would mean that the Congress had done a vain thing when it passed the Federal Property and Administrative Services Act. I do not believe that any such action should be attributed to the Congress in the absence of specific evidence to the contrary.

Finally the opinion suggests that there can be no question that the President the day after signing the Federal Property Act could have submitted a reorganization plan undoing the transfers effected by that act and the Congress would then have had 60 days within which to consider whether or not to disapprove such a proposal. It would seem that if the President wished to effect this transfer that is just the action that he should have taken.

Since I have argued that plan No. 7 would not take effect even though the Senate or the House fail to pass a resolution of disapproval prior to the expiration of the 60-day period after transmittal of such plan, Senators might logically ask me why I propose a resolution of disapproval. My answer to any such query is that I recognize that a forceful legal argument may be made on both sides of the question.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. LODGE. If this whole order is surplus and excess verbiage, why would it not be simpler to have the President withdraw it?

Mr. HAYDEN. It being a proposal recommended by the Hoover Commission, I think the President hesitated to withdraw it once it had been submitted to Congress. He would much prefer to have Congress determine what it will do with it.

That situation is exactly the same, as the Senator very well knows, as the situation with respect to the reorganization plan sent to Congress in connection with the Military Establishment. However, in that act provision was made that the act should take effect, and not the plan submitted. But that language was not in this statute, which leaves the confusion which I have been discussing.

While I personally feel that in view of the passage of the Federal Property and Administrative Services Act of 1949 subsequent to the time plan No. 7 was transmitted to Congress, the plan cannot take effect, I accord to the opinion of the Acting Attorney General the respect to which it is entitled; and I firmly believe that the only way we can clarify the situation at this late date is for the Senate to adopt this resolution of disapproval. If we do not disapprove the resolution and the administration attempts to make the plan effective by transferring the Bureau of Public Roads to the Department of Commerce, the Government will have this situation confronting them in the next 2 or 3 weeks.

In connection with the acquisition through condemnation proceedings for rights-of-way for Federal highways, the Secretary of Commerce will attempt to make the basic discretionary finding which is a statutory prerequisite to the institution of the condemnation proceedings.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. WHERRY. Did I correctly understand the Senator from Arizona to say that the Acting Attorney General was

recommending that Congress disapprove the reorganization plan?

Mr. HAYDEN. No; I said the Acting Attorney General was recommending that Congress do not disapprove it.

Mr. WHERRY. Then how does the Senator from Arizona harmonize his position with the opinion of the acting attorney general?

Mr. HAYDEN. I do not. I disagree with the Attorney General.

Mr. WHERRY. The Senator from Arizona disagrees with the Attorney General?

Mr. HAYDEN. I do.

I am pointing out the situation we shall be in if nothing is done. As I just said, in connection with the acquisition through condemnation proceedings for rights-of-way for Federal highways, the Secretary of Commerce will attempt to make the basic discretionary finding which is a statutory prerequisite to the institution of the condemnation proceedings. If not in that case, then in the next this authority will be challenged by the private land owner whose property is to be taken under such condemnation proceedings. Whether the courts will feel bound by the action of the Senate in failing to disapprove such plan is problematical. If the courts feel, as I do, that the plan has no legal effect because of the passage of the Federal Property and Administrative Services Act of 1949, the condemnation proceeding will be dismissed, and a chaotic condition will be created which we have now in our power to prevent. Even if the lower courts were to hold that the plan is in effect, there will be inevitable appeals in higher courts until the question is finally decided by the Supreme Court after a long period of litigation.

Therefore, Mr. President, it seems to me that the wise thing to do is for the Senate to reject this plan. Then if thereafter the President wishes to submit a plan which is not complicated by the conflicting legislation which applies to this plan, the Senate can agree to it.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. CORDON. Historically, was not the whole highway policy, adopted many years ago, predicated primarily on the necessity for an interstate, interconnected highway system, valuable primarily for national defense?

Mr. HAYDEN. That is the reason which induced President Wilson to sign the original Federal Highway Act.

Mr. CORDON. As a matter of fact, if we were going to examine the history of the national highway policy, if we were going to consider the basis upon which the major arterial highways have been designated and connected and constructed, and if we were going to insist upon the transfer to some department of what is one of the outstandingly efficient service organizations in the United States Government, it should properly go to the Department of Defense, should it not?

Mr. HAYDEN. Or, conversely, if the reasoning, which I believe to be fallacious, upon which this plan is based

is correct, then the Corps of Engineers, since it has just as much to do with transportation as does the Public Roads Administration, should also be transferred to the Department of Commerce.

Mr. CORDON. Exactly. Would it not appear—as I think the Senator has suggested—that in the investigation made by the so-called Hoover Commission, inadequate consideration was given by the transportation section of that Commission to the basic authority and duties of the Public Roads Administration or, as it was formerly known, the Bureau of Public Roads, a construction agency, and in no sense a transportation agency?

Mr. HAYDEN. Yes.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. All time is to be divided between or allotted by the Senator from Arizona [Mr. HAYDEN] and the Senator from Arkansas [Mr. McCLELLAN].

Mr. LODGE. Mr. President, I should like to ask a question.

Mr. McCLELLAN. I yield 5 minutes of my time to the Senator from Massachusetts.

Mr. LODGE. I still do not understand why the President does not withdraw this order, if it is merely a lot of excess verbiage. If it is excess verbiage, it seems to me the simple thing for him to do is to withdraw the order, and not make Congress go through the procedure of voting on it.

Mr. HAYDEN. I understand that. But if the President did that, he would do two things which he does not want to do: First, such action would be construed as discrediting the Hoover Commission's recommendation.

Mr. LODGE. How could that be?

Mr. HAYDEN. That is to say, having issued an order prior to the enactment of this statute, if the President were to withdraw it now because the statute had been enacted in the meantime, that action could be construed as an abandonment of the project by the President.

The other reason is also obvious: The President does not like to disregard the advice of the Acting Attorney General; and the Acting Attorney General has—in a very strained way, I think—endorsed the proposal that the plan, not the law, be in effect.

Mr. LODGE. Mr. President, the Senator from Arizona is one of the ablest and most lucid Members of this body; but he has not been very lucid in his reply to my question, because I do not think it in any way discredits the Hoover Commission to say that some event which has occurred subsequent to the time when the Hoover Commission made its recommendation, makes its recommendation obsolete. There is nothing insulting or discrediting about that, and I cannot believe that the President has such a mistaken sense of loyalty toward his Attorney General, or Acting Attorney General, that he will fail to withdraw something that is obsolete and that is excess verbiage, and will require us to go through all this procedure and then to vote. I think there must be

something about this matter that does not meet the eye.

Mr. HAYDEN. I say that the only way to remove the inconsistency would be for the President to withdraw the plan. Some good lawyer told me that the President doubted that he had the power to withdraw the order.

Mr. LODGE. We find good lawyers on all sides of questions, of course.

Mr. MARTIN. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield 5 minutes of my time to the Senator from Pennsylvania, if he wishes to have it.

Mr. MARTIN. I simply wish to ask a question. Does the Public Roads Administration do any actual construction, except in public parks?

Mr. HAYDEN. Oh, yes; the Public Roads Administration has supervised the construction of the Inter-American Highway through Mexico to Panama. It is now doing work for the State Department in Turkey and Greece. It supervised the construction of the Alaskan Highway during the war.

As the Senator has mentioned, it does, every year, substantial construction in both the national forests and the national parks, and I believe it does some work on the Indian reservations.

Mr. MARTIN. Mr. President, will the Senator yield for a further question?

Mr. HAYDEN. I yield.

Mr. MARTIN. So far as the relationship with the States is concerned, the Public Roads Administration does not do any construction work; does it?

Mr. HAYDEN. No; the theory of the Federal Highway Act from the beginning has been that the Federal Government would not build any State roads, but it would aid the States. The original act provided that unless a State had a State highway department—and half of the States did not have such departments at that time—it could not get the benefit of Federal aid. The State lets the contract; it lets it in accordance with specifications approved in advance by the Public Roads Administration. Then if the State builds the road in accordance with those specifications, the Public Roads Administration authorizes the making of the Federal payment to the State in the amount due.

Mr. ELLENDER. Mr. President, will the Senator yield for a question?

Mr. HAYDEN. I yield.

Mr. ELLENDER. Assuming that this proposal were legal, does the Senator feel that the Public Roads Administration should be transferred to the Department of Commerce?

Mr. HAYDEN. I do not, because, as indicated by the Senator from Oregon, the purpose of the Department of Commerce is to improve commerce and transportation. The Department of Commerce has nothing to do with the construction of roads.

My contention is that this is a construction agency, not a transportation agency. Therefore it does not belong in the Department of Commerce.

Mr. ELLENDER. So the main objection the Senator has is to transferring the roads agency from where it is now to the Department of Commerce. Is that correct?

Mr. HAYDEN. Exactly so.

Mr. MYERS. Mr. President—

Mr. McCLELLAN. I yield to the Senator from Pennsylvania.

Mr. MYERS. Only in the last moment have we heard anything about the merits of the proposed transfer. There may be real, good, and substantial argument as to the merits of the proposed transfer of the Public Roads Administration to the Department of Commerce, under this reorganization plan. However, the Senator from Arizona has devoted practically all his time to a discussion of the legality of the proposed transfer.

I certainly believe his legal argument is unsound. I base that opinion in large part on the opinion of the Acting Attorney General, addressed to the President, which appears on page 11793 of the CONGRESSIONAL RECORD under date of Tuesday, August 16.

The plan was forwarded to Congress on June 20, as I recall. The act transferring the functions of the Federal Works Agency, including the Public Roads Administration, to the new agency was enacted into law on June 30, some 10 days or so after the plan was sent to us.

The Senator from Arizona bases his legal argument on two premises, and I think both of them are fully and completely unsound, according to the opinion of the Acting Attorney General.

The Senator from Arizona bases his argument on the assumption that by reason of the abolition of the Federal Works Agency, as is set forth in the opinion of the Acting Attorney General, nothing remains upon which the President can exercise his power of reorganization.

The Attorney General says:

This assumption is untenable. The Reorganization Act of 1949, as was the case with previous reorganization acts, deals primarily with functions and only secondarily with the transfer or abolition of agencies.

What is contemplated by Reorganization Plan No. 7 is the transfer of certain functions which at all times have remained in existence; functions which were not in their substance affected by the enactment of the Property Act of 1949. Plan No. 7 calls for the transfer of public-roads functions to the Department of Commerce. That is a result which can actually and legally be achieved despite the enactment of the Federal Property Act.

So says the acting Attorney General. He then goes on in his opinion to answer the second objection which has been raised to plan No. 7. He states:

A second objection to plan No. 7 which has been raised is based on an interpretation of the provisions of section 9 (a) (1) of the Reorganization Act of 1949 to the effect that that section was designed to anticipate the case where, following the submission of a reorganization plan, the Congress acted with respect to the agency or function affected in a manner inconsistent with the plan, and to make certain that in that situation the statute would have the same effect as if the reorganization had not been made.

Mr. President, where the Senator from Arizona goes far afield is, I think, that he forgets that in the original Reorganization Act of 1945 there was also another section, called section 5 (e). If that section were still in the law, the Sena-

tor's argument might then be a valid one, because section 5 (a) of the 1945 act provided:

If, since January 1, 1945, Congress has by law established the status of any agency in relation to other agencies or transferred any function—

As I say, Mr. President, that was done in the public law transferring the Public Roads Administration to the new agency.

If, since January 1, 1945, Congress has by law established the status of any agency in relation to other agencies or transferred any function to any agency, no reorganization plan shall provide for, and no reorganization under this act shall have the effect of, changing the status of such agency in relation to other agencies or of abolishing any such transferred function or providing for its exercise by or under the supervision of any other agency.

But, Mr. President, the Senator from Arizona neglected to advise the Senate that the provisions contained in section 5 (e) was omitted from the 1949 act. Had it been included, his argument might have been valid. Section 9 (a) (1), the remaining section, is clearly intended, as the acting Attorney General stated, as a saving provision designed to keep substantive authority and functions alive, despite the fact that the power to exercise such authority or functions is transferred by the reorganization plan. The acting Attorney General has given some examples.

So, Mr. President, there might be objection to the merits of the transfer, but unfortunately there has been no debate on the merits. The merits, I believe, might be argued. But on the legal question I believe every Senator and every lawyer could well argue that the President has a perfect right through the reorganization plan to transfer the Public Roads Administration to the Commerce Department, despite the fact that the Congress adopted and passed the Federal Property Act of 1949, some 10 days subsequent to the submission of plan No. 7.

I reiterate, we certainly should not reject this plan merely because of the tenuous legal argument advanced by counsel for the legislative committee. I think we should give more thoughtful concern to the opinion of the acting Attorney General. Senators may well differ on the merits of the transfer, I repeat, but it is my firm opinion that the President certainly has every right under the law to send to the Congress Reorganization Plan No. 7, and, within the law, can well transfer the Public Roads Administration to the Department of Commerce.

Mr. McCLELLAN. Mr. President, I yield 5 minutes to the Senator from New Mexico [Mr. CHAVEZ].

Mr. CHAVEZ. Mr. President, I dislike to disagree with the acting majority leader even on legal matters, but I recall, once upon a time, when I was going to law school, our professor said, "If you do not know the answer to a legal proposition, then decide for yourself what it should be." He said, "When you are asked, 'What is the law?' give an answer as to what it should be." In this instance, we have the trained legal mind of the acting majority leader against an ordinary Senator from Arizona.

Mr. MYERS. I thank the Senator.

Mr. WHERRY. Not too ordinary a Senator.

Mr. CHAVEZ. With all due respect to the legal training of my friend from Pennsylvania, I still think there is more good law in the argument of the Senator from Arizona than in the argument of the Senator from Pennsylvania. It is true the discussion has turned to legal matters. I believe the merits of the proposition should be discussed and understood. As I look around at Senators who are kind enough to be listening to the debate, I know they are all in favor of good roads. This is a matter of good roads, purely and simply. It is nothing that has anything to do with legal arguments, either pro or con.

If Senators want good roads to continue, if they want an agency which has made good in this country, if they want the only agency which has the respect of the entire American people, they should leave the Bureau of Public Roads where it is, and where it belongs, to do its work. The Bureau of Public Roads, under the administration of the present Commissioner, is known not only nationally but internationally. The Commissioner is respected not only in this country but abroad. If we go to any State in the Union, including Pennsylvania, we find the people are more interested in good roads than they are in any matter of legislation that may be presented to them. Good roads affect the farmer. They also affect the businessmen. They affect everyone in the entire country. The matter is simple. Has any Senator at any time heard the least suggestion that the Bureau of Public Roads as now constituted and directed has wasted a penny of the taxpayers' money? It is purely and simply a construction agency. It has nothing whatever to do with regulating commerce as between the State of Pennsylvania and the State of Ohio. It is interested in constructing good roads in Pennsylvania.

As stated by the Senator from Arizona, while it actually does not go on the ground, nevertheless it sees to it that the agency of the State of Pennsylvania carries out the provisions which Congress placed in the law. When decision is made as to a contribution by the Federal Government, it sees that the specifications are correct. It inspects the materials going into every foot of road.

Mr. President, I venture to say that there is not a Senator present who has as much respect for any other agency or department of the Federal Government as he has for the Bureau of Public Roads. So, why a change, as a matter of merit? Every department coming before the Committee on Appropriations has trouble. I have been a member of that committee for many years. The departments, including the Department of Commerce, have a difficult time selling their ideas. But there has never been one iota of doubt as to the honesty and sincerity of purpose or the honesty of administration of the Bureau of Public Roads.

If there is one Senator who has contributed greatly to the idea of public roads, it is the Senator from Arizona [Mr. HAYDEN]. If there is one Senator who

sticks to the administration it is the Senator from Arizona. I succeeded him on the committee of this body which has to do with public roads. I am happy and proud of the fact that this body has selected me as chairman of the Committee on Public Works, which has jurisdiction over public roads. That committee has no politics. It is composed of Democrats and Republicans, but they are interested in public roads, and its members attempt to carry out the basic idea of the Senator from Arizona. The Senator from Arizona is a reasonable, honest, administration man. He tells the Senate that this plan is wrong. He has no ulterior motive, no politics in regard to it, no idea of gaining a few votes somewhere. For 33 years he has led this body and the other body in matters concerning public roads, and he asks the Senate to understand and to realize that this plan is not sound.

I have no reason to know why the President did not withdraw the plan. As a matter of fact, I have no reason to know why he submitted it.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. MALONE. I should like to ask the distinguished Senator from New Mexico, this being a Federal highway department which we are asked to transfer to the Department of Commerce, whether the Department of Commerce, which has been a good department, has ever had anything to do with public roads?

Mr. CHAVEZ. It never has had. It controls and regulates transportation, for example, on the Chesapeake & Ohio Railway between here and Chicago, or any other transportation as such; but it never has had anything to do with the construction of a public highway. It is all new to that department.

Mr. MALONE. Mr. President, if the Senator will yield for one further question, has there ever been a breath of scandal or anything derogatory with regard to the Bureau of Public Roads?

Mr. CHAVEZ. It is one agency which stands high before the legislative body and before the American people. There are possibly 24 or more Senators in this body who have been Governors of their States. I asked them whether, while they were cooperating and receiving the benefits of the Federal Government in the construction of roads, they had ever had any difficulty with the Bureau of Public Roads, and the reply was that they had not.

Mr. MALONE. Mr. President, will the Senator yield further?

Mr. CHAVEZ. I yield.

Mr. MALONE. I should like to say to the Senator that at one time I was State engineer of Nevada, and I have just discussed with the head of that department this transfer. Of course they would conform, but they can hardly imagine—and nearly all of them are technical men—dealing with the Department of Commerce, where there is no comparable establishment at all. How would the Department of Commerce conform to this entirely new policy and this entirely new organization?

Mr. CHAVEZ. They will have to make the best of it. They are not in position to conform. They will do it, of course, if we put the responsibility upon them. But the question is, purely and simply, do we believe in good roads? Do we want to continue an honest administration of good roads? Do we want the States to have good roads? Do we want to get the farmer out of the mud? All right. Let us keep the situation as it is.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. LODGE. Does the Senator think the Hoover Commission is opposed to good roads?

Mr. CHAVEZ. The Hoover Commission, in its report, did not recommend that the Bureau of Public Roads should not be a construction agency. As outlined by the Senator from Arizona, the task force of the Hoover Commission, headed by Mr. Moses, recommended that it be kept the way it is at this time.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. MALONE. In view of the question asked by the Senator from Massachusetts, I should like to ask, inasmuch as it is with great reluctance that I vote against any of the reorganization plans, because in 1947, we initiated that kind of action and we are highly in favor of anything that will bring about greater efficiency and some economy, whether as a matter of fact, the Hoover Commission ever recommended such a thing.

Mr. CHAVEZ. Not that I understand. That is all I care to say.

The PRESIDING OFFICER. The Senator from Arkansas [Mr. McCLELLAN] is recognized.

Mr. McCLELLAN. Mr. President, if no other Senator wishes to speak on the resolution, I yield the time back to the Chair.

Mr. MYERS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Anderson	Hickenlooper	Millikin
Baldwin	Hill	Morse
Bricker	Holland	Mundt
Bridges	Humphrey	Murray
Byrd	Hunt	Myers
Cain	Ives	Neely
Capehart	Jenner	O'Connor
Chapman	Johnson, Colo.	O'Mahoney
Chavez	Johnson, Tex.	Robertson
Connally	Johnston, S. C.	Russell
Cordon	Kefauver	Saltonstall
Donnell	Kem	Schoeppel
Douglas	Kerr	Smith, Maine
Downey	Kilgore	Smith, N. J.
Dulles	Knowland	Sparkman
Eastland	Langer	Stennis
Eaton	Lodge	Taft
Ellender	Long	Taylor
Ferguson	McCarran	Thomas, Okla.
Flanders	McCarthy	Thomas, Utah
Frear	McClellan	Thye
Fulbright	McFarland	Tydings
George	McKellar	Vandenberg
Gillette	McMahon	Watkins
Graham	Magnuson	Wherry
Green	Malone	Wiley
Gurney	Martin	Williams
Hayden	Maybank	Withers
Hendrickson	Miller	Young

The PRESIDING OFFICER. A quorum is present. The question is on agreeing to Senate Resolution 155.

Mr. McCLELLAN. Is ask for the yeas and nays.

The yeas and nays were ordered.

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLELLAN. A vote in the affirmative for the resolution is a vote to reject Reorganization Plan No. 7, is it not?

The PRESIDING OFFICER. The Senator is correct. The question is on agreeing to Senate Resolution 155, which disapproves Reorganization Plan No. 7 of 1949. A Senator who does not favor the plan of reorganization will vote "yea." A Senator who favors the plan of reorganization will vote "nay."

The hour at the end of which the vote would have been taken will expire at 12 minutes past 6. Is there objection to proceeding to vote at this time, 4 minutes after 6 o'clock? The Chair hears no objection.

Mr. WHERRY. Mr. President, the acting majority leader is not on the floor at the moment, and I hope the Members of the Senate will remain after the vote, because a unanimous consent request will be presented relative to the debate on the nomination of Attorney General Clark, and with respect to the time at which the nomination will be voted on. I see the acting majority leader now in the Chamber, and I may state to him that the announcement was made yesterday by the majority leader that today there would be a recess from 6 until 7 o'clock for dinner, and that we would proceed with the consideration of the nomination after that time.

Mr. MYERS. I think all Senators are aware of the fact that after we conclude the voting on Reorganization Plan No. 7, it is the intention to call the Executive Calendar. There are on the Executive Calendar three treaties which I believe are noncontroversial. Then the noncontroversial nominations on the calendar will be called, and we will then proceed to the consideration of the nomination of Hon. Tom C. Clark to be Associate Justice of the Supreme Court of the United States. I understand that we will be able to secure a unanimous-consent agreement to recess after the nomination is made the pending business, to convene at 12 o'clock tomorrow and to vote on the nomination at 3:30 o'clock p. m. tomorrow. I shall present the unanimous-consent request after the vote on the reorganization plan.

The PRESIDING OFFICER. The yeas and nays have been ordered on Senate Resolution 155, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from North Carolina [Mr. HOEY], who is absent on public business, would vote "yea," if present.

The Senator from Illinois [Mr. LUCAS], who is absent on public business, would vote "nay," if present.

The Senator from Florida [Mr. PEPPER] is absent by leave of the Senate on public business.

I announce further that, if present and voting, the Senator from Rhode Island [Mr. McGRATH], who is absent on public business, would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], who is absent by leave of the Senate, has a general pair with the Senator from Nebraska [Mr. BUTLER], who is absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER] is necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness.

The Senator from Kansas [Mr. REED] is absent by leave of the Senate.

The result was—yeas 40, nays 47, as follows:

YEAS—40

Bricker	Holland	Morse
Cain	Hunt	Mundt
Chapman	Johnson, Colo.	Murray
Chavez	Johnson, Tex.	Robertson
Connally	Johnston, S. C.	Sparkman
Cordon	Kerr	Stennis
Donnell	McCarran	Thomas, Okla.
Ecton	McClellan	Thomas, Utah
Ellender	McFarland	Watkins
George	McKellar	Wherry
Gurney	Magnuson	Wiley
Hayden	Malone	Withers
Hickenlooper	Maybank	
Hill	Millikin	

NAYS—47

Anderson	Hendrickson	Neely
Baldwin	Humphrey	O'Connor
Bridges	Ives	O'Mahoney
Byrd	Jenner	Russell
Capehart	Kefauver	Saltonstall
Douglas	Kem	Schoepfel
Downey	Kilgore	Smith, Maine
Dulles	Knowland	Smith, N. J.
Eastland	Langer	Taft
Ferguson	Lodge	Taylor
Flanders	Long	Thye
Frear	McCarthy	Tydings
Fulbright	McMahon	Vandenberg
Gillette	Martin	Williams
Graham	Miller	Young
Green	Myers	

NOT VOTING—9

Aiken	Hoey	Pepper
Brewster	Lucas	Reed
Butler	McGrath	Tobey

The PRESIDING OFFICER. On this vote the yeas are 40, the nays are 47. The resolution is not agreed to, not having received the affirmative votes of a majority of the authorized membership of the Senate.

HOFFMAN'S WARNING TO THE 19 MARSHALL PLAN COUNTRIES

Mr. FULBRIGHT. Mr. President, I shall take but 1 minute of the Senate's time. I particularly want to commend Mr. Paul Hoffman for a statement which he made in Paris yesterday to the 19 Marshall plan countries. His statement was made at a meeting of the Organization for European Economic Cooperation in Paris. I desire read one sentence he is reported to have uttered to that conference. These are the words of Mr. Hoffman:

I want to say again and again and again to you that now is the time when there must be proof of accomplishment in the direction of genuine cooperation by the European nations to the end that this become as rapidly as possible a single market.

I think that shows that finally, after a year and a half, the ECA has come around to the view that there must be some coordination and unification economically of Europe.

The same article in the Washington Post quotes Mr. Andre Philipp, a French-

man, of Strasbourg, France, as saying that "discouragingly little progress" has been made under the Marshall plan and that Europe is more divided economically than ever before. But the statement of Mr. Hoffman at least shows that at long last the ECA has come around to the view which I have described; and I assume that our State Department has endorsed that policy.

INDEPENDENT OFFICES APPROPRIATIONS—MOTION TO RECONSIDER

Mr. DOUGLAS. Mr. President, I rise to enter a motion that the Senate reconsider the vote whereby this body agreed to the House amendment to Senate amendment numbered 46 to House bill 4177, the independent offices appropriation bill for 1950. I should like to have the privilege of making a brief statement to clarify the situation, if I may.

Mr. WHERRY. Mr. President, will the Senator yield so that I may ask the majority leader a question?

Mr. DOUGLAS. I yield.

Mr. WHERRY. Would it not be possible at this time to get a unanimous-consent agreement with respect to the nomination of Mr. Clark to be Associate Justice of the Supreme Court, and the nomination of the Senator from Rhode Island [Mr. McGRATH] to be Attorney General?

Mr. MYERS. I do not believe the Senator from Illinois will take very long. Other Senators have taken time.

Mr. DOUGLAS. Mr. President, I shall take not more than 10 minutes.

The parliamentary situation with respect to Senate amendment 46 to H. R. 4177, the independent offices' appropriation bill, seems to be as follows:

Senate amendment 46 would have appropriated \$21,667,000 to the Office of Housing Expediter for administrative expenses required to administer the Housing and Rent Act of 1947, as amended most recently by Congress in the Housing and Rent Act of 1949, approved March 30 of this year.

The 1949 act added to the administrative duties of the Office of Housing Expediter. It required him to designate an officer for each area rent office as a small landlord-tenant helper to assist them in obtaining the rights afforded them by the act. It increased the responsibilities of that office by extending the scope of its authority to initiate legal action against violators of the law, directly through action to recover damages for rent overcharges and indirectly by reporting to the Attorney General of the United States cases where there appeared to be grounds for seeking injunctions against violation of any part of the Rent Control Act. It also placed in the Office of Housing Expediter the entire duty of regulating evictions. Under the Housing and Rent Act of 1948, the Housing Expediter had no authority to regulate evictions.

In view of the need for carrying out these and other duties, the Bureau of the Budget approved an amount of \$26,750,000 for administrative expenses. The request for that amount was considered by the Senate Committee on Appropriations, which had before it for consideration H. R. 4177, the independent offices appropriation bill. This bill

had been reported from the House Committee on Appropriations on April 11, 1949, and passed by the House on April 13, too early for inclusion of a request for an appropriation for administrative expenses of the Office of Housing Expediter. The Office was in no position to request appropriations for the current fiscal year until passage of the Housing Act of 1949, which was not approved by both Houses until March 30, 1949.

After consideration, the Senate Committee reduced the recommended appropriation by 10 percent to \$24,075,000 and included it in H. R. 4177 as Senate amendment 46.

During the debate in the Senate on July 29, 1949, this amount was further reduced on the motion of the senior Senator from New Hampshire [Mr. BRIDGES] to \$21,667,000 by the extremely narrow margin of 3 votes, the count being 45 to 42. In other words, after an initial cut of 10 percent, the Senate made a further cut of about 10 percent.

In this form, amendment 46 went into conference and the conferees were unable to reach an agreement. It was reported in disagreement by the conferees in Conference Report No. 1262, dated August 12. In the statement of the managers on the part of the House, the managers stated that they would move to recede and concur in the Senate amendment with an amendment.

Such a motion was made by the gentleman from Texas [Mr. THOMAS] on August 15 and was agreed to without discussion or explanation. The effect of this amendment was to reduce the appropriation from \$21,667,500 to \$17,500,000, or a further reduction of approximately 20 percent from the preceding figure.

This action by the House was embodied in a message from the House, strangely dated August 14, announcing its action on six Senate amendments to H. R. 4177 on which the conferees were unable to reach agreement. This message was received in the Senate late in the day of August 15 and was acted upon immediately without explanation, although without objection. The distinguished senior Senator from Wyoming [Mr. O'MAHONEY] moved that the Senate concur in the House amendments to the six Senate amendments to H. R. 4177 covered by the message, with the exception of amendment 74 having to do with veterans' educational aids. That motion was agreed to. No discussion was had relative to amendment 46.

I have requested reconsideration of that action as it affects amendment 46 because I would feel remiss in my duties were I not to invite the attention of the Members of this distinguished body to the unfortunate results which would flow from slashing the appropriations for the Office of Housing Expediter to \$17,500,000.

For the last fiscal year, appropriations of \$22,222,200 were made to that office. Some of that amount was made in the form of deficiency appropriations. In view of the additional duties placed upon the Housing Expediter only a few months ago by this same Congress, I assume it was not the intention of the conferees or of this body that the Housing

Expediter engage in a wholesale dismissal of personnel. Since Congress must expect him to execute the duties vested in him, I would guess it was probably the thought of the conferees that he should continue to employ the personnel needed for that purpose until decreases in personnel are made possible by the tapering-off of the areas in which Federal rent controls are still effective. In view of the sizable reduction in appropriations below those approved by the Senate, I gather the conferees must have expected these decreases in over-all duties to occur rapidly as the present date for expiration of Federal rent controls, June 30, 1950, approaches. I assume, and would appreciate being corrected if this is not the case, that should this substantial tapering-off of duties of the Office of Housing Expediter not occur, the Senate committee would entertain a request for such deficiency appropriations as may be justified in the light of conditions as they exist when the current appropriation shall have been exhausted.

I personally feel that despite these assumptions, the amount of \$17,500,000 is not sufficient to enable the Office of Housing Expediter to do an adequate job of executing the Federal rent control laws.

I therefore enter a motion to reconsider the vote whereby the Senate agreed to the House amendment to Senate amendment No. 46 to H. R. 4177, the independent offices appropriation bill for 1950.

The PRESIDING OFFICER. The motion will be entered.

EXECUTIVE SESSION

Mr. MYERS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. (Mr. STENNIS in the chair). If there be no reports of committees, the clerk will proceed to state the business on the Executive Calendar.

INTERNATIONAL RECOGNITION OF RIGHTS IN AIRCRAFT—CONVENTION PASSED OVER

Executive E (81st Cong., 1st sess.), the Convention on the International Recognition of Rights in Aircraft, signed at Geneva on June 19, 1948, was announced as first in order.

Mr. MYERS. Mr. President, that treaty is to be passed over.

Mr. CONNALLY. Mr. President, this is a treaty which was handled in the subcommittee by the Senator from Florida [Mr. PEPPER]. It was thoroughly explained to the Foreign Relations Committee, and we think it should be ratified. It is not controversial. No one objected to it.

Mr. WHERRY. Mr. President, I had understood that the treaties to be considered were the remaining treaties on the calendar. Personally I have no objection to this particular treaty, but I should like very much to have an opportunity to consult with one or two Senators who I know are vitally interested in the recognition of rights in aircraft be-

fore the treaty is approved. Would the Senator from Texas consent to allowing the treaty to go over until tomorrow?

Mr. CONNALLY. I shall be obliged to do so if the Senator from Nebraska so requests. There was no opposition in the committee to the treaty.

Mr. WHERRY. I understand that. However, one Senator asked me about the treaties to be considered, and I did not know that this treaty was to be considered. I understood that it was the remaining treaties which were to be considered.

Mr. CONNALLY. Very well.

The PRESIDING OFFICER. The treaty will be passed over.

INTERNATIONAL CONVENTION FOR THE NORTHWEST ATLANTIC FISHERIES

The Senate, as in Committee of the Whole, proceeded to consider the convention, Executive N (81st Cong., 1st sess.), the International Convention for the Northwest Atlantic Fisheries, formulated at the International Northwest Atlantic Fisheries Conference and signed at Washington under date of February 8, 1949, by the plenipotentiaries of the United States of America and by the plenipotentiaries of certain other governments, which was read the second time, as follows:

INTERNATIONAL CONVENTION FOR THE NORTHWEST ATLANTIC FISHERIES

The Governments whose duly authorized representatives have subscribed hereto, sharing a substantial interest in the conservation of the fishery resources of the Northwest Atlantic Ocean, have resolved to conclude a convention for the investigation, protection and conservation of the fisheries of the Northwest Atlantic Ocean, in order to make possible the maintenance of a maximum sustained catch from those fisheries and to that end have, through their duly authorized representatives, agreed as follows:

ARTICLE I

1. The area to which this Convention applies, hereinafter referred to as "the Convention area", shall be all waters, except territorial waters, bounded by a line beginning at a point on the coast of Rhode Island in 71°40' west longitude; thence due south to 39°00' north latitude; thence due east to 42°00' west longitude; thence due north to 59°00' north latitude; thence due west to 44°00' west longitude; thence due north to the coast of Greenland; thence along the west coast of Greenland to 78°10' north latitude; thence southward to a point in 75°00' north latitude and 73°30' west longitude; thence along a rhumb line to a point in 69°00' north latitude and 59°00' west longitude; thence due south to 61°00' north latitude; thence due west to 64°30' west longitude; thence due south to the coast of Labrador; thence in a southerly direction along the coast of Labrador to the southern terminus of its boundary with Quebec; thence in a westerly direction along the coast of Quebec, and in an easterly and southerly direction along the coasts of New Brunswick, Nova Scotia, and Cape Breton Island to Cabot Strait; thence along the coasts of Cape Breton Island, Nova Scotia, New Brunswick, Maine, New Hampshire, Massachusetts, and Rhode Island to the point of beginning.

2. Nothing in this Convention shall be deemed to affect adversely (prejudice) the claims of any Contracting Government in regard to the limits of territorial waters or to the jurisdiction of a coastal state over fisheries.

81ST CONGRESS
1ST SESSION

S. RES. 155

IN THE SENATE OF THE UNITED STATES

AUGUST 15 (legislative day, JUNE 2), 1949

Mr. HAYDEN submitted the following resolution; which was referred to the Committee on Expenditures in the Executive Departments

AUGUST 16 (legislative day, JUNE 2), 1949

Reported by Mr. McCLELLAN, without amendment and without recommendation

AUGUST 17 (legislative day, JUNE 2), 1949

Considered and disagreed to

RESOLUTION

Whereas Reorganization Plan Numbered 7 of 1949, transmitted to Congress on June 20, 1949, provided for the transfer of the Public Roads Administration to the Department of Commerce; and

Whereas there was subsequently enacted the Federal Property and Administrative Services Act of 1949 (Public Law 152), approved June 30, 1949, which abolished the Federal Works Agency and transferred all of its functions to the Administrator of General Services, and which changed the name of the Public Roads Administration to the Bureau of Public Roads and transferred all of its functions to the Administrator of General Services; and

Whereas Reorganization Plan Numbered 7 thus purports to affect agencies which do not in fact exist; and

Whereas section 9 (a) (1) of the Reorganization Act of 1949 (Public Law 109) provides, in substance, that any statute enacted in respect of any agency or function affected by a reorganization plan, before the effective date of such reorganization, shall have the same effect as if such reorganization had not been made; and

Whereas all doubt should be removed as to whether the above-cited statute has made such reorganization plan ineffective: Now, therefore, be it

- 1 *Resolved*, That the Senate does not favor the Reorgan-
- 2 ization Plan Numbered 7 transmitted to Congress by the
- 3 President on June 20, 1949.

RESOLUTION

Disapproving Reorganization Plan Numbered 7
of 1949.

By Mr. HARDEN

AUGUST 15 (legislative day, JUNE 2), 1949
Referred to the Committee on Expenditures in the
Executive Departments

AUGUST 16 (legislative day, JUNE 2), 1949
Reported without amendment and without
recommendation

AUGUST 17 (legislative day, JUNE 2), 1949
Considered and disagreed to

REORGANIZATION PLAN NO. 8 OF 1949

M E S S A G E

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

REORGANIZATION PLAN NO. 8 OF 1949, DEALING WITH THE
NATIONAL MILITARY ESTABLISHMENT

JULY 18, 1949.—Referred to the Committee on Expenditures in the Executive
Departments and ordered to be printed

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 8 of 1949, prepared in accordance with the provisions of the Reorganization Act of 1949.

This plan is designed to make urgently needed changes in the administration of the National Military Establishment and other agencies created by the National Security Act of 1947.

That act failed to provide for a Department of Defense and for a fully responsible official with authority adequate to meet his responsibilities, whom the President and the Congress can hold accountable. The act also failed to provide the basis for an organization and a staff adequate to achieve the most efficient and economical national-defense program, and to attain effective and informed civilian control of the armed forces of the United States.

On March 5, 1949, I recommended to the Congress that the National Security Act of 1947 be amended to strengthen and clarify the position of the Secretary of Defense and to provide him with more adequate staff assistance in the performance of his responsibilities. My recommendations were made on the basis of our experience under the act, the recommendations of the First Secretary of Defense, and the extensive study given to this matter by the Commission on Organization of the Executive Branch of the Government.

Since my message of March 5, the Senate has considered the organization of the National Military Establishment and has passed S. 1843, which embodies most of my recommendations. In the House of Representatives consideration has been given to the Senate bill in committee. The measure reported, however, deals only with a limited part of the Senate bill.

The House bill deals with organizational and procedural arrangements for developing and executing the budget. It also provides greater flexibility with regard to methods of financing and accounting for certain complex operations. These are worth-while improvements and should be of help in obtaining the efficiency and economy which the entire legislation is designed to bring about.

The pending House bill, however, deals only with the mechanics of finance and budgeting and does not deal with many basic factors of managing the Department which would so largely determine the content of the budget. There is also a defect in the proposed bill, in that it would vest, by statute, specific functions relating to financial management in a subordinate official of the Department and then make that official an appointee of the President. This is a detraction from the responsibility of the Secretary. It departs both from our present practice and from the principles of departmental management stated by the Commission on Organization of the Executive Branch, with which I am in agreement. I cannot support budgetary or other control systems which fail to confer responsibility in a clean-cut manner and which present possible obstacles to effective administration.

On June 20 the Reorganization Act of 1949 became law. That act provides that the President may submit plans to Congress to improve the organization of the executive branch and lead to increased economy and efficiency. As my message of March 5 indicated, I place a very high priority upon action to improve our defense organization. It is a vital area of governmental activity. It accounts for nearly one-third of our Federal expenditures.

While it is not possible by reorganization plan to accomplish as broad a reorganization of the National Military Establishment as I have recommended, a number of important improvements can be made by proceeding under the Reorganization Act of 1949.

Plan No. 8 of 1949 converts the National Military Establishment into the Department of Defense. The Secretary of Defense as the head of the Department of Defense will exercise authority, direction, and control over the Department. Subject thereto, the Departments of the Army, Navy, and Air Force will continue to be administered as executive departments by their respective Secretaries. The plan does not change, or authorize the Secretary of Defense to change, the statutory assignment of combatant functions, roles, and missions to the Army, the Navy, and the Air Force.

The plan provides for the office of Deputy Secretary of Defense, in place of the present position of Under Secretary, and also provides the Secretary of Defense with three Assistant Secretaries of Defense. It will provide for a Chairman of the Joint Chiefs of Staff. It will provide for a Personnel Policy Board, on the same organizational basis as the Munitions Board and the Research and Development Board. It will remove the onerous restrictions and limitations

imposed on the Secretary of Defense by the National Security Act which are inappropriate to his status as head of the Department of Defense. It will make the Secretary of Defense the sole representative of the Department of Defense on the National Security Council. Since it is impossible to provide by reorganization plan for budgetary and other fiscal arrangements along the lines provided in the Senate and House bills, and since both Houses of the Congress have taken action on this matter, I have excluded the entire subject matter of title IV of S. 1843 from the reorganization plan.

I have found that each reorganization contained in the accompanying plan is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1949. I have also found and hereby declare that, by reason of the reorganizations included in this reorganization plan, it is necessary to make provision for the appointment and compensation of a Deputy Secretary of Defense, three Assistant Secretaries of Defense, a Chairman of the Joint Chiefs of Staff, and a Chairman of the Personnel Policy Board. The compensation of each of these officers is fixed at a rate not in excess of that which I have found to prevail in respect of comparable officers in the executive branch of the Government. The functions of the Secretaries of the Army, Navy, and Air Force as members of the National Security Council, and their functions with respect to reporting directly to the President and the Budget Director, provided for in sections 101 (a) and 202 (a), respectively, of the National Security Act, are abolished by the provisions of the plan.

The important results which will flow from the reorganizations set forth in the plan will be more effective civilian authority and control over the military forces, more efficient and economical administration of the Department of Defense, and better interservice relationships. This will pave the way for the lowest possible expenditures for the national defense consistent with the national security. It is probable that it will result in very substantial reductions in expenditures.

I am submitting Reorganization Plan No. 8 at this time for two reasons: First, to emphasize the importance I attach to this matter and to take action by all means at my command to secure prompt action. Second, to provide a sure means whereby all the Members of Congress will be able to vote on the question of improving our defense organization in the event that adequate legislation is not developed through the usual legislative processes.

I have not previously submitted a reorganization plan on this matter because I believe that a more appropriate reorganization can be accomplished by legislation. Only by legislative action can the Department of Defense be placed in the proper relation to the military Departments of Army, Navy, and Air Force. While this issue cannot be fully dealt with by reorganization plan, all of the other matters included in my recommendations of March 5 can be effected by plan. Reorganization Plan No. 8 would thus represent a major improvement over our present arrangements. It would clarify and strengthen the responsibility and authority of the Secretary of Defense and would give him better military and civilian staff assistance to accomplish his important duties.

In the event that the changes I recommended to the Congress in March are not effected by statute at this session, then those changes

which can be put into effect by reorganization plan should be made. I am primarily interested in achieving some worth-while results in improving the organization of the defense establishment at the earliest possible time.

Whether the reorganization comes about through legislation, which I would prefer, or by reorganization plan, it should deal adequately with the subject and provide for clear lines of responsibility and authority. This does not mean the creation of one-man rule or dictatorship. Our constitutional system is the best possible safeguard against that eventuality. It does mean, however, that we can receive full value from the dollars which go for defense and that the Government's activities in this important area will be more effectively planned and managed.

I again urge the Congress to strengthen our defense organization which is so vital to the security of this Nation and the peace of the world.

HARRY S. TRUMAN.

THE WHITE HOUSE, *July 18, 1949.*

REORGANIZATION PLAN NO. 8 OF 1949

Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, July 18, 1949, pursuant to the provisions of the Reorganization Act of 1949, approved June 20, 1949

DEPARTMENT OF DEFENSE

SECTION 1. *Department of Defense.*—The name of the National Military Establishment is hereby changed to "Department of Defense" and such Department is hereby constituted an executive department.

SEC. 2. *Secretary of Defense.*—(a) Under the direction of the President, the Secretary of Defense shall have direction, authority, and control over the Department of Defense: *Provided*, That the Departments of the Army, the Navy, and the Air Force shall be administered as executive departments by their respective Secretaries, under such direction, authority, and control of the Secretary of Defense.

(b) The provisions of section 2 (a) hereof shall not be construed (1) to authorize the Secretary of Defense to transfer, reassign, abolish, or consolidate the combatant functions assigned to the Departments of the Army, the Navy, and the Air Force, respectively, by sections 205 (e), 206 (b), 206 (c), and 208 (f) of the National Security Act of 1947 or to make transfers of military, naval, or air force personnel from one of said departments to another or to make details or assignments of such personnel in a manner that will impair such assigned combatant functions; (2) to authorize the Secretary of Defense to direct the use and expenditure of funds in a manner that would bring about the results prohibited by section 2 (b) (1) hereof; nor (3) to diminish in any respect the functions of the Secretary of Defense as they exist immediately prior to the taking effect of the provisions of this reorganization plan.

(c) The functions of the Secretaries of the Army, the Navy, and the Air Force under the penultimate proviso of section 202 (a) of the

National Security Act of 1947 (with respect to presenting reports and recommendations to the President or the Director of the Budget) are hereby abolished.

(d) The Secretary of Defense may, without being relieved of his responsibility therefor, and unless prohibited by some specific provision of law, perform any function vested in him through or with the aid of such officials or organizational entities of the Department of Defense as he may designate.

SEC. 3. *Deputy Secretary of Defense.*—There is hereby established in the Department of Defense the office of Deputy Secretary of Defense. The Deputy Secretary of Defense shall be appointed from civilian life by the President by and with the advice and consent of the Senate: *Provided*, That a person who has within ten years been on active duty as a commissioned officer in a Regular component of the armed services shall not be eligible for appointment as Deputy Secretary of Defense. The Deputy Secretary of Defense shall perform such functions as the Secretary of Defense shall designate, shall take precedence in the Department of Defense next after the Secretary of Defense, and shall receive compensation at the rate of \$14,500 per annum or such other compensation as may be provided by law for Under Secretaries or Deputy Secretaries of executive departments after the date of transmittal of this reorganization plan to the Congress. During the absence or disability of the Secretary of Defense, or in the event of a vacancy in the office of Secretary, the Deputy Secretary of Defense shall be acting Secretary of Defense and shall perform the functions of the Secretary of Defense. The office of Under Secretary of Defense is hereby abolished; but the incumbent thereof immediately prior to the taking effect of the provisions of this reorganization plan shall, without reappointment, be the first Deputy Secretary of Defense under the provisions of this section.

SEC. 4. *Acting Secretary of Defense.*—During any period of time when neither the Secretary of Defense nor the Deputy Secretary of Defense is able to perform the functions of the Secretary (by reason of absence, disability, or vacancy in the office of the Secretary or Deputy Secretary, as the case may be) one of the following, designated for this purpose by the Secretary of Defense, shall be Acting Secretary of Defense and perform the functions of Secretary of Defense, namely, the Secretary of the Army, the Secretary of the Navy, or the Secretary of the Air Force.

SEC. 5. *Assistant Secretaries of Defense.*—There shall be in the Department of Defense three Assistant Secretaries of Defense who shall (1) be appointed from civilian life by the President, by and with the advice and consent of the Senate, (2) perform such functions as the Secretary of Defense shall designate, (3) take precedence in the Department of Defense after the Secretary of Defense, the Deputy Secretary of Defense, the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force, and (4) receive compensation at the rate of \$10,330 per annum or such other compensation as may be provided by law for the assistant secretaries of executive departments after the date of the transmittal of this reorganization plan to the Congress. The offices of Special Assistant to the Secretary of Defense, established under the authority of section 204 (a) of the National Security Act of 1947, are hereby abolished.

SEC. 6. *National Security Council*.—The functions of the Secretaries of the Army, the Navy, and the Air Force with respect to membership on the National Security Council (under the provisions of section 101 (a) of the National Security Act of 1947) are hereby abolished.

SEC. 7. *Armed Forces Policy Council*.—The name of the War Council (provided for in section 210 of the National Security Act of 1947) is hereby changed to "Armed Forces Policy Council." The Chairman of the Munitions Board, the Chairman of the Research and Development Board, the Chairman of the Personnel Policy Board hereinafter provided for, and the Chairman of the Joint Chiefs of Staff hereinafter provided for, shall be additional members of the Armed Forces Policy Council.

SEC. 8. *Chairman of the Joint Chiefs of Staff*.—(a) There is hereby established the office of Chairman of the Joint Chiefs of Staff. Such Chairman shall be an additional member and the presiding officer of the Joint Chiefs of Staff (provided for by section 211 (a) of the National Security Act of 1947).

(b) The Chairman of the Joint Chiefs of Staff shall be appointed by the President, by and with the advice and consent of the Senate, from among the Regular officers of the armed services to serve at the pleasure of the President for a term of two years and shall be eligible for one reappointment, by and with the advice and consent of the Senate, except in time of war when there shall be no limitation on the number of reappointments. The person appointed as Chairman shall, while holding such office, take precedence over all other officers of the armed services, and shall receive the basic pay and basic and personal money allowances prescribed by law for the Chief of Staff, United States Army, and such special pays and hazardous duty pays to which he may be entitled under the provisions of law: *Provided*, That the Chairman shall not exercise military command over the Joint Chiefs of Staff or over any of the military services.

(c) In addition to participating as a member of the Joint Chiefs of Staff in the performance of duties assigned to the Joint Chiefs of Staff, the Chairman shall, subject to the authority, direction, and control of the President and the Secretary of Defense, (1) serve as presiding officer of the Joint Chiefs of Staff, (2) provide agenda for meetings of the Joint Chiefs of Staff and assist the Joint Chiefs of Staff in the prompt and effective prosecution of the business thereof, (3) inform the Secretary of Defense and, when appropriate as determined by the President or the Secretary of Defense, the President, of any issue upon which agreement has not been reached by the Joint Chiefs of Staff, and (4) perform such other duties as the President and the Secretary of Defense shall direct.

SEC. 9. *Munitions Board*.—The Munitions Board or, if the Secretary of Defense shall so prescribe, the Chairman of the Munitions Board, after consultation with the Board, shall assist the Secretary of Defense in performing such duties as the Secretary of Defense may direct, including, in the discretion of the Secretary of Defense, any or all of the duties enumerated in section 213 of the National Security Act of 1947.

SEC. 10. *Research and Development Board*.—The Research and Development Board or, if the Secretary of Defense shall so prescribe, the Chairman of the Research and Development Board, after consultation with the Board, shall assist the Secretary of Defense in

performing such duties as the Secretary of Defense may direct, including, in the discretion of the Secretary of Defense, any or all of the duties enumerated in section 214 of the National Security Act of 1947.

SEC. 11. *Personnel Policy Board*.—(a) There is hereby established in the Department of Defense a Personnel Policy Board.

(b) The Board shall be composed of a Chairman, who shall be the head thereof, and an Under Secretary or Assistant Secretary from each of the Departments of the Army, the Navy, and the Air Force, to be designated by the Secretaries of the respective departments. The Chairman shall be appointed from civilian life by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate prescribed by law for the Chairman of the Munitions Board.

(c) The Personnel Policy Board or, if the Secretary of Defense shall so prescribe, the Chairman of the Personnel Policy Board, after consultation with the Board, shall assist the Secretary of Defense in performing such duties as the Secretary of Defense may direct, including, in the discretion of the Secretary of Defense, any or all of the following duties:

(1) Establishment of personnel policies for military and civilian personnel of the Department of Defense and, where desirable, the development of uniform personnel policies and the elimination of unnecessary duplication and overlapping in the field of personnel;

(2) Coordination of appropriate activities of the Department of Defense with regard to personnel matters; and

(3) Maintenance of liaison with the various executive departments and other agencies of the Federal Government for the purpose of correlation therewith of personnel activities of the Department of Defense.

(d) When the Chairman of the Board first appointed hereunder has taken office, the Personnel Policy Board created by directive of the Secretary of Defense shall cease to exist and all its records and personnel shall be transferred to the Board.

(e) The Secretary of Defense shall provide the Board with such personnel and facilities as the Secretary may determine to be required by the Board for the performance of its functions.

SEC. 12. Nothing in this reorganization plan (1) shall be deemed to abolish or transfer, nor have the effect of abolishing or transferring, the Department of the Army, the Department of the Navy, or the Department of the Air Force, or all the functions of any of such executive departments, or (2) shall be deemed to consolidate, nor have the effect of consolidating, two or more of said executive departments or all the functions thereof.

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